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FINANCIAL TIMES

No. 26,927

Wednesday March 24 1976

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GENERAL

Healey puts on the heat

Mr. Denis Healey, Chancellor of the Exchequer, yesterday made a strong bid to establish his claim to the Labour leadership. Page one — general summary.

Supporters of the Chancellor said they were building a sound base from which he could advance after the results of tomorrow's ballot.

They claimed that enough second choice votes had been gathered to offer a real prospect of victory as the election proceeded.

Mr. Edward Short, Labour's deputy leader, was reported to have pledged his vote to Mr. Healey. Back Page

Argentina may halt air traffic

In Argentina, where suggestions of an imminent coup, heard of in the past, have been reported to have been told by a senior air force officer that all flights in and out of the country would be stopped at midnight. It was expected that ports would also be closed.

IRA funds from U.S. 'drying up'

Mr. Liam Cosgrave, Irish Premier, said in Dublin yesterday that his effort to stop the flow of funds from the U.S. to the IRA had been a success. In London, two men detained after the discovery of a bomb factory at Lavender Hill, Battersea, were released. No charges have yet been preferred against three men and a woman who are being interviewed and two men to be released following explosions.

Princess attends charity party

Following Princess Margaret's first public appearance since the announcement of her separation from Lord Snowdon—the princess and her 14-year-old son, Viscount Linley, attended a reception at HMS Hampshire in the Pool of London last night.

Mr. Roddy Llewellyn, 25, who had been on holiday with the princess in the Caribbean, issued a short statement. Mr. Llewellyn said he would not comment on last week's events and expressed his loyalty to the Queen and the Royal Family.

Giscard restores Bastille glory

Paris's annual Bastille Day parade, which has been banished to a working class suburb by President Giscard d'Estaing for the past two years—much to the distress of the area's inhabitants—is to return to its traditional glory on the Champs Elysees.

Giscard's tarnished image Page 6

Siberia bound

Winter package tours to Siberia are to be introduced by Thomson Holidays next winter. Prices range from £127 for a week.

"There is a group of people who want to do something first," the company explained.

Another Hogg

Lord Hall's son, the Hon. Douglas Hogg, a 31-year-old barrister, has been chosen from 190 applicants as Conservative prospective parliamentary candidate for Grantham, Lincoln, where Mr. Joseph Godber, MP, is retiring at the General Election.

Briefly...

Mr. Brian O'Malley, 46, Minister of State in the Department of Health, was admitted to Westminster Hospital last night after collapsing in the Commons.

Three priceless Renaissance paintings stolen a year ago from Urbino's ducal palace have been found in a Locarno, Switzerland, hotel.

Shane, the pet Woking lioness which left on the back of a woman wearing a leopard coat, must be securely caged, a High Court judge—who also lives in Woking—ordered.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

| RISERS | |
|----------------------------------|--|
| Treasury 11pc 1981... £101 + 1/2 | |
| Treasury 13pc 1987... £96 + 1/2 | |
| Albright & Wilson... 37 + 4 | |
| Ascent P. Cement... 191 + 7 | |
| BSR... 108 + 1/2 | |
| Bank of Scotland... 273 + 10 | |
| Beecham... 357 + 7 | |
| Bestobell... 136 + 8 | |
| Bowater Home Stores... 180 + 5 | |
| British Home Stores... 31 + 6 | |
| De La Rue 'New'... 31 + 6 | |
| Dunlop... 87 + 3 | |
| Fisons 'New'... 21 + 5 | |
| Grand Metropolitan... 73 + 3/4 | |
| GKN... 394 + 7 | |
| Hawker Siddeley... 410 + 6 | |
| Leiras 'New'... 18 + 6 | |
| Reardon Smith... 180 + 22 | |
| Sale Tilney... 90 + 4 | |

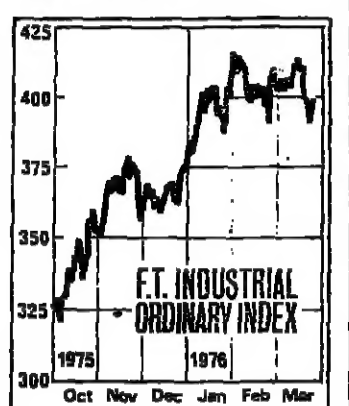
| FALLS | |
|------------------------------------|--|
| Staffordshire Potteries... 140 + 5 | |
| Tunnel Hides 'B'... 191 + 7 | |
| Turner and Newall... 137 + 4 | |
| Wearwell... 18 + 3 | |
| Weir Group... 55 + 5 | |
| Weyburn Eng... 695 + 35 | |
| Shell Transport... 494 + 6 | |
| Sunningdale Oils... 800 + 40 | |
| Woodside-Burmah... 103 + 5 | |
| Ayer Hiltam... 213 + 6 | |
| ALM... 248 + 3 | |
| Malayan Tin... 207 + 7 | |
| Southern Malayan... 147 + 10 | |
| Tronoh... 81 + 4 | |

• Premium

BUSINESS

Equities rise 7.8 to 399.1; gilts up

● EQUITIES rallied after five successive days of falling share values. The FT 30-Share Index rose 7.8 to 399.1. But trading was still at a low level, with sentiment sensitive to the political situation.



● GILTS improved, with gains to 1. The Government Securities Index gained 0.36 to 61.89, at 98.55 near the close.

● WALL STREET was up 6.06 at 988.55 near the close.

● STERLING gained 45 points to close at \$1.9255; its trade weighted depreciation shrank to 33.6 per cent. from the previous record closing figure of 33.9 per cent. Dollar's weighted fall narrowed to 2.06 (2.12) per cent. Strains on the European snake further eased. Back Page

● GOLD fell \$1 to \$133.1.

● U.S. TREASURY Bill rates at this week's auction: Three 4.56 (4.98) per cent. 20-year 5.45 (5.49) per cent.

Leyland strike troubles ease

● LEYLAND'S industrial relations problems eased as 700 test engineers returned to work after a fortnight's stoppage. ACAS will intervene today in a tool-room workers' strike which has halted production of Land-Rover and Range-Rover models. Page 13

● TARIFF-CUTTING scheme for industrialised countries, involving across-the-board cuts of up to 50 per cent. on most duties, is presented by the U.S. at Geneva trade talks. Page 4

● TEXTILE FIBRE consumption is likely to grow 2.5 per cent. during 1976-80, with synthetics growing at 7 per cent., says Du Pont. Page 5

● GLASGOW Chamber of Commerce survey showed that 21 per cent. of member companies had improved home market sales, against 16 per cent. in the previous survey three months earlier. Page 14

● EEC has subsidised U.K. food imports by more than £265m., said Mr. Lardinois, Commissioner for Agriculture, in a defence of the Common Agricultural Policy. Back Page

● BTR is making a £15.5m. offer for SW Industries as the first step in its plan to expand in the U.S. The deal is expected to be financed through dollar borrowings. Back Page

● STOCKBROKERS Lewis Altmann suspended by the Stock Exchange Council from trading pending clarification of the firm's position after revocation of certain permissions under the Exchange Control Act 1947.

● BICC proposes to raise £19.95m. in a one-for-five rights issue at 87p. Page 23 and Lex

● ASSOCIATED PORTLAND CEMENT Manufacturers boosted pre-tax profit last year to £42.5m. (£22.5m.), with higher turnover of £286.1m. (£213.3m.). Page 23 and Lex

FOOT WARNS ON 'FALSE OPTIMISM'

Unemployment falls for first time in nearly two years

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

Unemployment has fallen in the U.K. for the first time in nearly two years. Figures issued by the Department of Employment yesterday show that between mid-February and mid-March, the number of jobless, on a seasonally adjusted basis, was down by 5,700 at 1.227m. (5.3 per cent.).

For the third month running there was an increase in the number of unfilled vacancies being notified by companies to employment exchanges—up 8,500 on a seasonally adjusted basis to 122,000.

The unadjusted total of people registered as out of work also dropped—by 19,500 to 1,235m., or 5.5 per cent. of the labour force.

While welcoming the figures, Ministers and officials yesterday were quick to emphasise that they did not necessarily herald a change of trend.

Mr. Michael Foot, Secretary for Employment, said: "I want to caution everybody against false optimism."

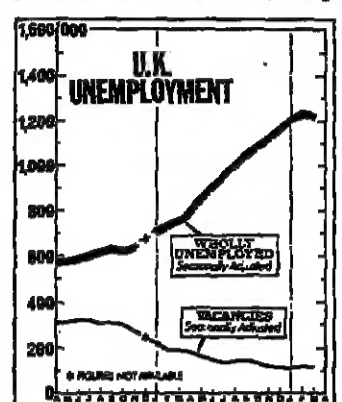
"We have a long way to go before we can say we have defeated unemployment and doubtless there are more problems ahead."

In spite of such cautious comments, however, there can be little doubt that the March figures come at a politically convenient time for the Government.

Even if they merely herald a slowing down in the upward trend rather than a turning point, taken with the recent run of vacancy figures the March unemployment statistics must at least ease some of the pressure from Labour's Left wing for massive reflation.

The problem in interpreting the latest figures is that they come at a time when the Government's own mixture of job creation schemes and temporary employment subsidies is reckoned to have "saved" or created upwards of 10,000 extra jobs since the end of February.

This brings the estimated cumulative effects of the Temporary Employment Subsidy to 26,000, job creation to 4,400 and the recruitment subsidy for school leavers to 21,500.



In spite of this, the slowdown in the rate of increase in unemployment has been so marked—from 46,000 a month between September and December to 17,000 a month between December and March—that forecasts of unemployment rising to 1.5m, or 6.5 per cent. by the end of the year certainly look too pessimistic.

The March figures come after a succession of statistics indicating that the economic upturn has begun, with destocking slowing down—and in some cases being followed by restocking—industrial production and gross domestic product rising, and exports in particular going up sharply.

On top of this—and perhaps most important of all—recent business surveys point to improved order books for home and export business, and a marked revival of business confidence.

Such changes in confidence can often lead economic forecasters by surprise. There is little doubt from their earlier speeches that Ministers were not prepared for this.

Continued on Back Page

Editorial comment, Page 20

Ulster industry: the diminishing returns, Page 21

Changes in dock work Bill fail to please key union

BY CHRISTIAN TYLER, LABOUR STAFF

THE GOVERNMENT has tabled major amendments to its controversial dockwork Bill in an attempt to appease unions. A spokesman said the amendments were "virtually cosmetic" and did not deal with the real point which was recognising the strength of employers and existing unions.

Other Government amendments aim to prevent existing union agreements being upset when workers become registered dockers—an attempt to quieten those who fear they will be forced into membership of the TGWU.

Likewise, some work presently done by non-dockers in ports covered by the scheme could continue to be exempt; this affects mainly members of the railway union in British Transport Docks Board ports.

In the Parliamentary committee itself, work on the Dock Work Regulation Bill has been going slowly. But the first real test of the Government's strength came so-morrow when a division may be called on Opposition amendments which seek to whittle down or strike out the five-mile cargo-handling zone.

The support of the union-sponsoring MPs for the moment at least seems assured. Last night Mr. James Johnson, the GMWU-sponsored Humberston MP, said: "I think these proposals cover any anxieties and worries our members could have had. Employment will be dealing with the same unions they always have, and not the ones they seem to fear from the dockside."

It could also placate individual employers who have argued that having to take on registered dockers would put firms out of business.

Although registered dockers do not necessarily earn more than warehousemen and others inland, employers of registered dockers have to pay an annual levy of 12.5 per cent. of the dock MP's for the moment to cover the cost of the scheme. They also claim that dockers' output per man is lower.

Despite Mr. Foot's concessions, which embody the demands of the TUC transport industries committee, the CBI is not interested in planning further amendments for the Opposition to table next week.

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Smith rejects 'extremist' U.K. proposals

BY TONY HAWKINS

SALISBURY, March 23

MR. IAN SMITH to-night rejected the latest British suggestions for a Rhodesian constitutional settlement, describing Mr. James Callaghan's proposals as "no less extreme, than those of the African National Council."

"It is the considered view of my Government that Mr. Callaghan's statement does not offer any hope of making real progress towards the constitutional settlement which we all desire," the Rhodesian Prime Minister said.

On the African side, Mr. Joshua Nkomo has also rejected the Callaghan statement, though for different reasons. He believes that an 18-month to two years transition would be "too long." His talks proposals provided for an interim period of a year.

The Rhodesian Prime Minister issued his hard-line statement to-night after the Cabinet had held its normal weekly meeting. He accused the Foreign Secretary of choosing to disregard the realities and reviving the demand for Nibmar (no independence before majority African rule).

"First put forward by his erstwhile leader (Mr. Wilson) some years ago and subsequently dropped."

"This demand is as unrealistic and unacceptable now as it always has been," said Mr. Smith.

Mr. Smith regretted Britain's rejection of his "constructive suggestion" for a non-party and impartial British delegation to visit Rhodesia and make an on-the-spot assessment.

Britain could not assess the position objectively from a distance of 6,000 miles—a problem made worse by White-

hall's being in contact with only one party to the dispute.

"It is important to stress that the itinerant Black politicians represent only a comparatively small section of Rhodesian opinion," said Mr. Smith.

The Prime Minister said he would not comment on Mr. Callaghan's "contentious and provocative" remarks about himself, but he rejected the charge of "prevarication" levelled by the Foreign Secretary.

The talks with the Nkomo ANC had broken down last Friday because of the "extreme and unacceptable nature" of Mr. Nkomo's demands.

The continuity of the talks was frequently interrupted by "numerous" trips abroad by the ANC. These delays were not of my making.

Mr. Smith said he had suggested that Britain send an emissary to Rhodesia for two main reasons. First, he was concerned at the indefinable stand of the ANC demanding an immediate black takeover, and secondly he knew that while Mr. Callaghan was in close contact with the ANC, he was "out of touch" with white opinion.

Lord Greenhill, who visited Salisbury last month, had been left in no doubt of the "chaos" which would follow premature black rule and the resultant loss of white confidence. The British emissary, whom Mr. Smith described as "a man of integrity," had met a wide cross section of Rhodesian business opinion and he was sure that Lord Greenhill will have painted a true picture on his return to London.

The President said he had already informed a number of Commonwealth Governments of his suggestion and that he was drawing up a memorandum for submission to the Commonwealth Secretary and all Commonwealth Governments.

Meanwhile, Dr. Nyerere, who leaves to-morrow for a one-day summit with colleagues African Presidents in Lusaka to discuss future strategy on Rhodesia, said he was "very pleased" that the Smith-Nkomo talks had broken down. He had never believed that they had any chance of success, but while they continued they confused the real situation in Rhodesia and kept alive false hopes. Now everyone he said, was "face to face with reality."

The President warmly welcomed Mr. Callaghan's Rhodesia statement on Monday. It was "most welcome," particularly

Continued on Back Page

| FEATURES | | FEATURES | |
|--|----|-------------------------|----|
| The Weight and Measures Bill | 20 | Looking for an opponent | 4 |
| Ulster industry: the diminishing returns | 21 | Angola and Zaire | 5 |
| Retraining from redundancy | 18 | The charm wears off | 6 |
| ON OTHER PAGES | | ON OTHER PAGES | |
| Appointments | 14 | Laiz | 46 |
| Appointments Adv. | 14 | Lambard | 26 |
| Arts | 23 | Men and Masters | 26 |
| Campaign News | 23 | Shining New | 26 |
| Crossword | 2 | Money Market | 26 |
| Entertainment Guide | 23 | Overseas News | 26 |
| Financial World | 23 | Parliament | 26 |
| Farming and Raw Materials | 23 | Racing | 26 |
| Foreign Exchange | 23 | Salesmen | 26 |
| FT Accounts Index | 23 | Share Information | 26 |
| FT Chapter race | 23 | Stock Exch. Report | 26 |
| FT Chapter race | 23 | The Technical Panel | 26 |
| FT Chapter race | 23 | Today's Events | 26 |
| FT Chapter race | 23 | TV and Radio | 26 |
| FT Chapter race | 23 | Unit Trusts | 26 |
| FT Chapter race | 23 | Wall St. & Overseas | 26 |
| FT Chapter race | 23 | Weather | 26 |
| FT Chapter race | 23 | World Trade News | 26 |

For latest Share Index phone 01-245 8025.

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Playing at banker

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7.00 a.m. The Breakfast Show. 9.00
 Michael Aspel. 12.00 Cash on Delivery.
 1.00 p.m. Roger Scott. 7.00 London
 Today. 7.30 Open Line. 9.00 Rock Show.
 1.00 Tony Bryant. 2.00 a.m. Night Flight.

show at midnight and 1 a.m. Hosted
Monday-Friday. Closed Sat. 437 61

Obsessions and Fantasies

by MICHAEL COVENEY

The beautiful dreamers are Bruce Lacey and his wife, Jill, and the tone of their evening of sci-fi glitter and therapeutic nonsense is well caught in Bruce's excuse for the Ginger and Fred routine they indulge in towards the end: "It's not so much what it looks like to us, it's what it feels like to us." Bruce, who is musician, artist, catchphrase philosopher, and father all rolled into a happily radiant one, will be glad to see you any night, but would much prefer to know that you had stayed at home to devise your own entertainment by painting the cat, chewing the carpet and making love in front of the children.

What an anarchic middle-aged daredevil he is, managing somehow to live with his nine children on £15 a week and occasional subsidies from the Arts Council. Whether or not you believe him is immaterial; but that he believes in himself is indisputable, and that's fine. On film we see him and Jill feeding the French birds and rolling and each other said rolls and

Radio 3

Fennimore and Gerda

by RONALD CRICHTON

The last and surely the best opera of Delius was heard on Monday from Radio 3 in a European Broadcasting Union concert from Copenhagen. The source was not as unlikely as it may seem: Delius based his libretto on the novel *Niels Lyhne* by the Danish writer J. P. Jacobsen. *Fennimore and Gerda* has turned up only occasionally, in the odd broadcast, in shoestring productions at Fulham and Camden, but those sympathetic to this composer have been left hoping avidly for a recording to join those of *Koanga* and *The Village Romeo and Juliet*. Recordings, and broadcasts too, for that matter, minimise the faults of Delius as a theatre composer. Now it appears that EMI will issue this fine performance by the Danish Radio Symphony Orchestra under Meredith Davies, with Elisabeth Söderström, Robert Tear, and Brian Rayner-Cook as the principals.

Fennimore is an unusual, beautiful work, sophisticated in detail, naïve and even clumsy in conception, but so full of Delius' special brand of lyrical ecstasy that the lopsided construction matters less than one might think. There are eleven scenes, or "pictures," played without interval but with three short pauses: the duration of which is carefully noted by the composer—to coincide with this performance. Boosey and Hawkes have issued a study score, price £8.50, which is an admirably clear reduction from the old, finely printed Universal Edition full score of 1928. *Fennimore and Gerda* are both women, the successive loves of Niels Lyhne. The first nine scenes are concerned with a triangle between Fennimore and two of her cousins—Niels, who at that youthful stage is a poet, and Erik Refstrup, a painter.

Niels and Erik are close friends as well as cousins. Fennimore is attracted to both, chooses Erik, but regrets it when he turns out to be better at drinking than at painting, then turns to Niels for consolation.

St. George's Theatre to open in April

The St. George's Theatre in Tufnell Park Road is to open on April 21, after a gestation period comparable with that of the National Theatre. The first production will be *Twelfth Night*, with a strong cast directed by Frank Hauser. Eric Porter will play Malvolio; Sarah Badel is Olivia; Lynn Fariello is Viola; John McEnery is Aguecheek; Ronnie Stevens is Feste.

The setting has been designed by C. Walter Hodges, the authority on Elizabethan and Jacobean playhouses, and the costumes by Bernard Cusshaw. There will be a preview on April 20, and on April 23—St. George's Day and traditionally Shakespeare's birthday—there will be a party after the performance for everyone in the house.

Romeo and Juliet will open on April 22, directed by George Murcell, the "onlie begueter" of the project. Sarah Badel will play Juliet and Peter McEnery Romeo. The Nurse will be taken by Rosemary Leach.

The third production for the initial season will be *Richard III*, also directed by Frank Hauser, with Alan Badel as Richard.

The box office is at 49 Tufnell Park Road, N.W. telephone 609 1188. The nearest Underground station is Tufnell Park, a few minutes' walk away. Nos. 4 and 19 buses pass the theatre, half a dozen other routes run very close to it.

Greenwood

Sur le Fil by GARRY O'CONNOR

Arrabal's latest play, in the French season at the Greenwood, shows him in muted vein. The *Samoyez* sensuality, horror, even cannibalism, which hitherto have been generously distributed on the slightest pretext, are toned down to an almost folklorish melancholy. *Sur le Fil* (On the Tightrope) was written, Arrabal tells us, after a visit to the ghost-town Madrid, Mexico, in April 1974, while he himself left Madrid, Spain, some twenty years earlier, in the very same year the former Madrid lost all its people.

The setting is the new ruined and deserted industrial landscape: a disused pit-head, a rusting railway line, a forlorn truck. As in his other play *The Car Cemetery*, the stage is replete with ghosts—this time, dead miners—from a dead civilisation's carcass. A rich man's son, known as the Duc de Gaze, takes refuge there with his companion, Tharais, a mixture of sexual hedonist, poet in



Jon Vickers and Christa Ludwig in 'Carmen', which opened last night at Covent Garden



Richard Freeman and Prue Clarke in 'Very Good Eddie', which opened last night at the Piccadilly

Television

Turning to the light

by CHRIS DUNKLEY

There were four longer-than-average programmes last week each dealing with a serious topic of current affairs. In order of transmission they were: *The Edelsa Affair* (80 mins.), which was concerned with abortion and was broadcast in the *Horizon* slot; *Hearts and Minds* (108 mins.), which was concerned with the Vietnam War; *The Second Battle of Britain* (70 mins.), which essayed a diagnosis of the ills supposedly affecting this country at present and was broadcast by *The Money Programme*; and *The Question of Ulster*, 76 (90 mins.), which was concerned with possible solutions to the Northern Ireland conflict.

The first three programmes each had an unmistakable point of view: all three commanded attention throughout; and all three were American. The fourth—*The Question of Ulster*—was made by the BBC and chaired with scrupulous fairness by Ludovic Kennedy. It was "balanced" worthy and virtuous. It was also boring, almost to the point of soporiferousness, and arguably it was pointless since it failed to include in its long studio discussion representatives of certain very powerful elements which are all too obviously present in Ulster.

In view of some of the remarks about BBC current affairs made in this column in the last two weeks, and in the light of one letter from a BBC current affairs executive, who wrote to say (inter alia) how much longer than ITV they gave to current affairs, one significant fact about all these programmes which must be pointed out is that it was the BBC which enabled a British audience to see them all. Full marks for that.

I am afraid, however, that those three programmes from the U.S. served only too effectively to draw attention to the emasculation of British current affairs television in general and the BBC's in particular.

If you tried to make a rule saying that historians weren't allowed to express—or even to hint at—strongly-held opinions, you would be that the rule is that if you happen to be a historian working on very recent or ancient history, and on television instead of print, then you will be emasculated in precisely this way.

But what does it matter, it may be said, so long as other people such as the Americans are allowed to make opiated current affairs programmes which can then be shown here by the BBC? A system, in other words, to which opiated programmes can be shown in Britain so long as they are not British.

First, it matters in principle: it is high time that the scarce broadcasting resources of this increasingly pluralistic society of ours were opened up to a greater diversity of views and interpretations of current affairs. We need more than the unproductive contentions which we are presently invited to watch so often

in the name of "balance." Second, it matters because the strongly favoured programmes produced in other countries may make fascinating viewing but they will tend, naturally, to deal with events concerning those other countries and not Britain. We have had to wait years for Morley Safer's *The Second Battle of Britain* to be made for American consumption.

(There is an irony here that should not go unremarked since it shows that other countries, however free their programme makers may be to express or to imply opinions, still suffer from problems similar to our own: *Hearts and Minds*, despite winning an Oscar as Best Documentary Feature Film, has still not been shown on one of the three major American networks, but only on the small Public Broadcasting Service. Similarly, *Les Chagrins de La Vie* has shown twice by the BBC without ever being shown in France. They make 'em and we show 'em.)

What does all this mean in terms of the actual programmes? It means that in *The Edelsa Affair* W.G.H. Boston could dramatise the trial in which an American doctor was found guilty of manslaughter of a human fetus, and show us the courtroom arguments around an extraordinarily complicated maze of forensic medicine (did the fetus draw breath outside the womb or not?) and leave us with two very distinct impressions: that the makers of the programme believed the verdict went the wrong way—and that if the producers had not been in favour of legal abortion, the programme would never have been made at all.

It was mainly the introduction to the programme, telling us that the film case against Dr. Edelin was brought by the District Attorney in his election year, and the brief comments at the end to the effect that it is poor women who have suffered most from the Edelin verdict because American doctors are now very much more circumspect about carrying out abortions, which bore the marks of opinionated producers.

Hearts and Minds, on the other hand, expressed one uncompromising attitude towards the Vietnam War throughout: that of the person who believes that when Allen Bean Phu ordered American policy was wrong. There was no "balance" here. With Hollywood movie clips they sought to show popular culture building up an image of Asians as little yellow monsters: "the American Indian told how his drill sergeant called him 'Squaw' or 'blanket-arse' and how he wanted to 'go kill some gooks' all the same." A merry chorus of "The Yanks are coming" was played as an accompaniment to pictures of American soldiers, turning flame-throwers on peasant dwellings and destroying stores of food in front of weeping old women.

Who programme makers are as strongly committed as that to

Purcell Room

Ann-Marie Connors

by ELIZABETH FORBES

Ann-Marie Connors, soprano, made her London recital debut at the Purcell Room on Monday. An ex-student of the Royal College of Music, where she carried off all the available honours, Miss Connors sang a memorable *Countess in College* performance of *The Marriage of Figaro* a year or two ago, and since then has won the Mozart prize at Salzburg, where she was invited to give a recital. She has sung in concert, and oratorio, in Britain, and studied briefly in Paris with Régine Crespin.

Her voice, well-focused, bright-toned and rock-steady, is already of considerable size, and flashes out most excitingly at the top. She chose an interesting, balanced programme made up chiefly of German and French songs, with a Mozart concert aria, "Miserere, dove son!"—Ah! non son io che parlo!—to begin with. This served nicely to get Miss Connors' voice flowing freely, and the group of songs by Brahms that followed was smoothly phrased, though without any particular insight into the poems set: "Unbewegte Luft" had an appropriate serenity in its opening lines, while the words of "Die Mainacht" were soaked in a rich stream of tone: "Von ewiger Liebe" was carefully if not deeply characterised.

In songs from Poulenc's fascinating *La courbe de la lune*, Miss Connors proved that she had not wasted her coaching with Madame Crespin. She seems to have a natural affinity for the French language as well as for French style, and these surrealistic poems were idiomatically voiced. "Quelle aventure!" enjoyed "Quelle aventure!" about the flea and the elephant, "Les anges musiciens" and "La carafon," in which the carafe hopes to emulate the griffin and have a little one. The last song, "L'ours d'or," ended on a lovely, long-held pianissimo.

Hindemith's settings of Rilke's *Das Marien Leben* seemed more accessible interpretatively to Miss Connors than the Brahms songs had been, while their wandering melodic lines caused her no trouble. Her articulation of the German text was also better, particularly in "Aztwohn Josephs," where the consonants were severely projected without disruption of the shape of the song. The recital ended with some arrangements by Britten of traditional French folksongs, these included "Viel de printemps," the bittersweet "Il est quelque'un sur terre" and "Eh! eh!" a warning to lambs not to stray for fear of the wolf. As encore Miss Connors sang another charming folksong, French-Canadian this time, "A la claire fontaine." The expert in songs from Poulenc's pianist was Brian Lampert.

St. John's, Smith Square

BBC Singers

by DOMINIC GILL

The last of the BBC Singers' melodramatic effect of the series of six early-evening concerts at St. John's on Monday, like the first, offered an imaginative programme conducted by John Poole of a capella music old and new, rounded with a Bach motet, agreeably but unremarkably sung.

Their performances of three Gesualdo *Madrigals* at the start of the evening were actually disappointing: straightforward and capable, but lacking in all manner of finesse, nuance of light and shade, subtle pointing. Strange to hear Tenebrae *fugue* sung, and the marvelous wandering chromatic lines of *Tristis est anima* so blankly and blandly shaped. The lovely *Vinea mea electa*, too, speaks of far greater sensuousness and timidity than the Singers allowed. The very sound they made, as well as the mark and manner of the interpretation, lacked lushness and depth.

The new work of the concert was a Little *Passion* by Anthony Payne, six minutes long, neatly laid out in four parts to anonymous 14th-century words on the grief, meaning and triumph of the Passion. An Sherrin star in *Side by Side* by unassuming, gently civilised set, not one felt, profoundly and responsive to its text, but deft lyrics of Stephen Sondheim, and pre-empted by the Mermid only with the slightly blunt Theatre on May 4.

Sondheim at The Mermid

Millicent Martin, Julia McKenna, David Kerman and Ned Sherrin star in *Side by Side* by unassuming, gently civilised set, not one felt, profoundly and responsive to its text, but deft lyrics of Stephen Sondheim, and pre-empted by the Mermid only with the slightly blunt Theatre on May 4.

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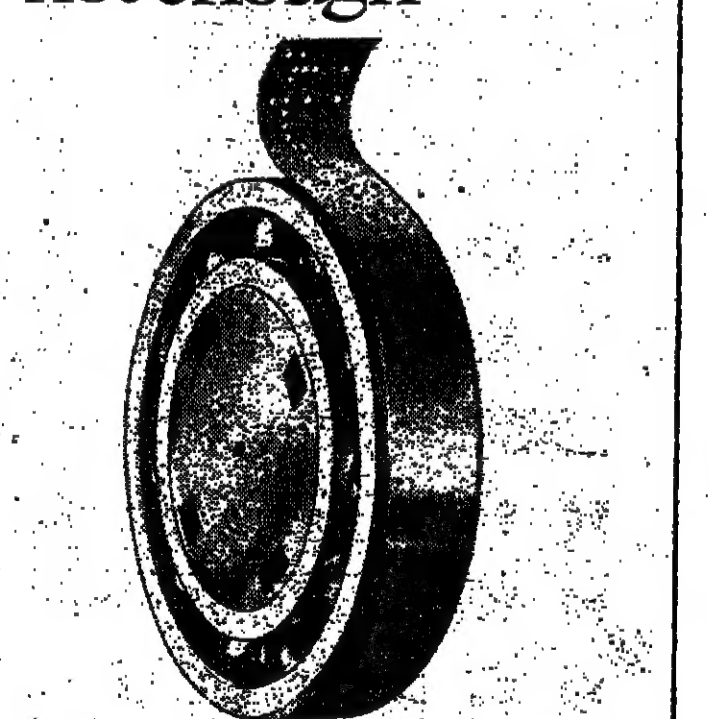
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WORLD TRADE NEWS

U.S. tariff cutting proposals

BY DAVID EGLI

A COMPREHENSIVE American proposal for tariff reductions by industrialised countries was presented today in the tariff group of the Multilateral Trade Negotiations. U.S. sources suggested this was a "major initiative" which could lead to the early negotiation of a tariff cutting formula, but European and other trading partners of the U.S. appeared privately to be less than enthusiastic about the terms offered.

The basic U.S. approach is linear. It calls for across-the-board cuts of up to 60 per cent. (the maximum permitted under the Trade Act) on most duties, on all tariffs above a seven per

cent, current level. It apparently does not allow for deeper cuts in the higher tariff range, nor on the presently low tariffs. But it does make a grudging concession to tariff harmonisation—a formula backed by the Europeans—on duties of up to seven per cent. Here, it is understood, tariff cuts might be marginally lower, 50 per cent, instead of 60 per cent, on the lower duties.

Other industrialised countries in the multilateral trade talks, notwithstanding the improved economic forecasts, fear that a sixty per cent. linear tariff cutting proposal is far too ambitious, particularly as, in the U.S. view, this would

apply to agricultural as well as industrial goods. Protectionist pressures are still strong on both sides of the Atlantic, and this sweeping formula may offer scant chance of real negotiation.

In any case no forward movement is expected until the EEC presents its own more specific tariff cutting formula which is unlikely to be before June. In essence this will probably stick quite close to the basic EEC view, that the extent of the cut should be equivalent to the initial level of the tariff: a fifty per cent. tariff would be reduced by fifty per cent., a twenty per cent. tariff by twenty per cent.

GENEVA, March 23.

Nordic computer struggle

By William Duffice

STOCKHOLM, March 23.

THE STRUGGLE between the home computer, L. M. Ericsson and the foreign challenger, Japan's Fujitsu, for the initial order to supply computers and software for a Nordic public data network should be settled next Tuesday (March 30), when the telecommunication director-general of Denmark, Finland, Norway and Sweden meet in Oslo. The first-phase contract would be worth about SKr.160m. (£19m.) but could lead to further orders totalling some SKr.1bn. (£118m.).

Fujitsu, which is offering its D-10 standardised telephone equipment, is under pressure to be quoting the lower price and shorter delivery time. L. M. Ericsson, which has submitted the equipment used in its new AXE telephone exchanges, has stressed that the contract would enable it to provide 300 new jobs in Finland, 400 in Norway and 400 in Sweden.

A decision should have been taken in February but the Swedish Government had the matter referred to the Nordic Council of Ministers, arousing considerable irritation among the Danes, who favour Fujitsu. According to the Danish Press, L. M. Ericsson has since offered to place orders with Danish sub-contractors if it wins the data network contract.

Nevertheless, Mr. Poul Hansen, director-general of the Danish Post and Telegraph Board, said recently that the Danish Government was considering placing its own order, thereby breaking up the Nordic co-operation. The Danes had promised potential customers to have a network functioning by 1978.

Ericsson and the American ITT were asked to submit "complementary offers" by March 16, giving further specification about delivery times, prices and employment opportunities. ITT left its original offer unchanged and is considered to have won the running, but Fujitsu is understood to have cut its price further and to have proposed work for Nordic sub-contractors.

BPA bids for Soviet airport

By John Walker

STOCKHOLM, March 23.

BPA, a Swedish construction company owned by the trade unions, has made a bid for the contract to build a terminal building, airport and an hotel at Moscow's Sheremetyevo airport. The expanded airport facilities are initially aimed at coping with the large increase in international traffic expected at the Olympic Games to be held in Moscow in 1980. Total expenditure is forecast to amount to Kr.2.8bn. (£330m.).

The new terminal will have a maximum capacity of 2,000 passengers an hour or 6m. a year. The facilities are estimated to be able to handle between 10 and 20 conventional aircraft or six jumbo jets an hour. The hotel, which is to be built at the end of the terminal building, will have a capacity of 500 beds.

If BPA obtains the contract, it is estimated that material deliveries from Sweden to the Soviet Union will amount to about Kr.500m. with the balance of Kr.300m. in wages. A decision is expected in the near future, as already the schedule allows little time to iron out running-in problems. If the project is to be ready for the Olympics in 1980.

ITC hears steel wire protest

THE U.S. International Trade Commission (ITC) has heard protests on a request by U.S. stainless steel wire producers for import quotas. AP-DI reports from Washington. The wire-makers were not covered by an earlier ITC import investigation which led last January to a tariff panel recommendation favouring import quotas on a wide range of special steels.

U.S. imports of stainless steel wire, used in many industrial applications, totalled about \$48m. last year. The major suppliers abroad include Japan, Sweden, France and West Germany. A spokesman for the domestic steel makers said yet another petition seeking import restrictions would be filed soon at the ITC by stainless steel pipe manufacturers.

Ford Motor in Japanese talks
Ford Motor vice-president Donald Bastian and several other executives are now in Japan for a two-week visit to examine the Japanese motor industry. The officials declined to disclose the purpose of the visit but industry sources said it was to explore the possibility of purchasing Japanese car engines and parts for Ford's 1977 model compact cars, Reuters reports from Tokyo.

Mideast contract
Lilley International has won a contract worth £1.75m. for the construction of two new sheet piled wharves for the United Arab Emirates Ajman Creek development scheme. Work on the contract is scheduled to begin in July and should be completed in 12 months.

AMERICAN NEWS

FTC accuses GM of crash spares monopoly

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, March 23.

THE FEDERAL Trade Commission has accused General Motors, the biggest American car company, of illegally monopolising the market in crash replacement parts for GM cars. Although its action is taken directly against GM, it is understood that the same FTC complaint applies in practice to the other two major manufacturers.

GM has vigorously denied the charges, which are the fruits of an investigation which is now nearly ten years old. Public attention on the issue has been heightened by recent Congressional hearings during which it was alleged that the cost of repairing cars damaged in crashes and also, in consequence, of motor insurance, had risen far more rapidly than the rate of inflation, largely because of the distribution system employed by the car industry.

According to the FTC, GM's

policy is only to sell crash replacement parts (bumpers, doors, wings, etc.) to its 12,000 franchised dealers. Independent repair shops (there are about 30,000 of them in the U.S.) may in the last two years, while the average annual cost to an American family of car insurance and repairs is now 20 per cent. more than it was two years ago, car insurance covers about 70 per cent. of the cost of all crash repairs.

GM has 30 days to respond to the FTC charges but the commission's chairman, Mr. Thomas Murphy, contended last night that the company believed that the present system of distribution was faster and more efficient than anything else. He said that investigating such incidents more fully.

He said that four of the men on the list had been on an earlier Northrop list as well and had been questioned about it by the Pentagon. The "clear implication" is that the Pentagon investigators had failed to probe deeply enough, he went on, adding that the Department should consider barring officials who had been entertained by defence contractors from making contract decisions involving such contractors. The latest list brings to 149 the number of Pentagon officials known to have been entertained by a total of five military contractors.

B-1 bomber development snags

BY DAVID BELL

WASHINGTON, March 23.

THE NEW B-1 long range supersonic bomber has developed unexpected ignition and vibration problems and further development of the aircraft should be delayed at least until early next year, the General Accounting Office reported last night.

The GAO, which acts as a Congressional watchdog agency, said that the bomber—"an important part of America's future strategic weapons delivery system"—has a severe problem with vibration, a faulty ignition system and engines whose performance falls short of the original specifications.

Representative Les Aspin of Wisconsin, who released the unclassified part of the report six high-ranking Pentagon employees who accepted hospitality

from the Northrop Corporation, and once again criticised the Defence Department for not investigating such incidents more fully.

Meanwhile, Sen. William Proxmire, who last week released a list of 59 Pentagon officials who had accepted hospitality from the Northrop Corporation, returned to the attack last night. He issued another list, this time of six high-ranking Pentagon employees who accepted hospitality

THE MEXICAN PRESIDENTIAL ELECTION

Looking for an opponent

BY ALAN RIDING, MEXICO CITY CORRESPONDENT

A PARTY that has won every election for President, Senator, and Governor since 1929 should hardly be surprised if its candidates go to the polls unopposed. Yet the Institutional Revolutionary Party (PRI) and its candidate for the Mexican presidential elections in July, Sr. Jose Lopez Portillo, have been badly upset by the withdrawal from the contest of the country's only opposition party. Within the context of Mexican politics, they are probably right.

For almost half a century the political and economic elite has legitimised its power through presidential elections every six years, which have prevented the emergence of dictators and promoted the image of a democratic Mexico. Giving credibility to what officials like to call "a two-party system," just like Britain and the U.S., the PRI candidate until this year has always faced a nominal challenger for the presidency. Sr. Lopez Portillo's election in July will therefore lack at least this dimension of legitimacy.

Perhaps more serious, the decision of the tiny conservative National Action Party (PAN) not to put forward a candidate has left Sr. Lopez Portillo without a target for his "revolutionary" rhetoric. Desperately needing to pump some life and enthusiasm into his campaign, he may neither criticise the outgoing administration of President Luis Echeverria, to whom he owes his nomination, nor divert

attention by attacking his "fascist" opponent. All he can do, in fact, is to travel extensively, listen patiently, and promise cautiously. With the veneer of an American politician, he took to dressing up in local costumes—one day as a Pancho Villa revolutionary, another as an Indian Chief. Even that failed to enliven his campaign.

Sr. Lopez Portillo must emerge from the shadow of President Echeverria and impose his own political image on the country.

More than his predecessors, however, Sr. Echeverria seems determined to exercise full political power until his last day in office. He also seems to expect Sr. Lopez Portillo to offer the country a continuation of the policies of the Echeverria administration.

As a result, the elections will reflect more closely the popular sentiments towards the outgoing administration than those towards the incoming president. If, as expected, the highest rate of abstention in recent Mexican history is recorded on July 4, Sr. Lopez Portillo will have to take office in a politically weakened position.

The degree to which Sr. Echeverria ties Sr. Lopez Portillo's hands in the coming

months will in fact probably determine the nature of relations between the two men after the handing over on December 2. The tradition is that the new President begins to undermine the reputation of his predecessor as from the moment he takes office. In Sr. Echeverria's case, because of the unpopularity of the then President, Sr. Diaz Ordaz, he was able to do so even before his inauguration. In Sr. Lopez Portillo's case, it seems inevitable.

Both inflation and the payments deficit by holding down current expenditure and limiting imports. Yet there is reason to believe that a serious devaluation could be carried out during the last year of an administration whose leader is naturally concerned with preserving his political image. Certainly, there are several important prestige projects to be completed this year, while minimum wages were raised by an average of 21 per cent. on January 1.

If Sr. Lopez Portillo inherits a seriously deteriorated economic situation, then he will be under pressure not only to take drastic measures—including the first peso devaluation since 1954—but also to blame the Echeverria administration. An economic crisis would hardly make him popular, but it would at least force him to adopt a political position different from that of Sr. Echeverria. Already he has encouraged businessmen with quiet hints that he considers the private sector less of an enemy than does the present administration.

But in the public's eye, he is still very much identified with the President. One of the secrets of the longevity of Mexico's political system, however, is that while the party goes on, every six years a new President offers the prospect of change. During his campaign, Sr. Lopez Portillo is apparently unable to do this. Once he takes office, the sparks should begin to fly.

To enliven his campaign, Señor Portillo even took to dressing up as Pancho Villa or as an Indian chief.

Austria, Poland in co-operation talks

BY PAUL LENDVAI

WARSAW, March 23.

MAJOR COOPERATION projects in the motor, paper and steel industries involving Austrian export credits to the tune of Sch.12bn. (about £330m.) and the broadening of bilateral co-operation, including joint ventures in third markets were the main subjects discussed here by the Austrian Finance Minister Dr. Hannes Androsch and Polish Premier Piotr Jaruzelski. Deputy Premier and Planning Chief Mr. T. Wyszczek and Foreign Trade Minister J. Oliszwski.

The terms of the export finance provided by Austria and the utilisation of the credit lines, agreed in principle by Austrian Chancellor Bruno Kreisky and Premier Jaruzelski during the latter's visit to Vienna last September are also on the agenda of negotiations between Dr. Androsch and his Polish opposite number, Finance Minister H. Kisiel.

The projects involve a long-term cooperation agreement between the Austrian motor company, Steyr-Daimler-Puch and the Polish State motor concern, Polmot, concerning both the sale of 18 ton heavy Austrian lorries to Poland and the provision of machinery and know-how for a lorry manufacturing plant to be erected in Poland by 1980-82. The Steyr project involves credits to the tune of Sch.5bn.

Austria also provides credit lines of \$50m. for deliveries of steel. Steyr is also in keen competition with the Swedish Volvo and the French Bertel companies in bidding for the reconstruction of a dike modernisation of the motor plant at Stara-Lesnica which turns out medium-sized lorries.

Poland recently awarded major contracts to the Austrian Voest

Further important orders are in the offing for paper-making machinery, construction cranes, radiators and electronic equipment.

Last year Poland became Austria's most important East European trading partner with Austrian exports rising from Sch.4.3bn. to almost Sch.5.6bn. last year. The utilisation of the Austrian credit lines and the broadening of co-operation will also be discussed by Foreign Trade Minister Oliszwski in May in Vienna and by Premier Jaruzelski who will pay an official visit to Austria next June.

It is understood that Minister Androsch asked Premier Jaruzelski to raise the matter of Polish power exports to Austria in Prague since the Czech authorities appear to be raising difficulties concerning the projected export of Polish electricity through the Czechoslovak power grids to Austria.

BANQUE WORMS

Summary of Balance Sheet as at 31st December, 1975 from accounts approved by the Board at their meeting on March 18th, 1976 and to be submitted to the next annual shareholders' meeting to be held on the 13th May, 1976.

| Assets | FF '000 | Liabilities | FF '000 |
|--|-----------|---|-----------|
| Due from banks, money market, treasury bills and other short term assets | 3,385,811 | Deposits | 6,609,556 |
| Advances to customers | 3,436,145 | Liability for acceptances | 241,080 |
| Customers' acceptances | 241,080 | Other liabilities inc. accruals, sundry creditors | 937,325 |
| Other assets inc. accruals, sundry debtors | 779,933 | Capital | 171,140 |
| Investments | 338,667 | Reserves and retained surplus | 116,165 |
| Fixed assets | 40,129 | Net profit for the year after taxation | 44,496 |
| | 8,119,775 | | 8,119,775 |

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Ford Motor in Japanese talks

Ford Motor vice-president Donald Bastian and several other executives are now in Japan for a two-week visit to examine the Japanese motor industry. The officials declined to disclose the purpose of the visit but industry sources said it was to explore the possibility of purchasing Japanese car engines and parts for Ford's 1977 model compact cars, Reuters reports from Tokyo.

Mideast contract
Lilley International has won a contract worth £1.75m. for the construction of two new sheet piled wharves for the United Arab Emirates Ajman Creek development scheme. Work on the contract is scheduled to begin in July and should be completed in 12 months.

All of these securities having been sold, this announcement appears as a matter of record only.

NEW ISSUE

March, 1976

\$70,000,000

GENESCO

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J. C. Bradford & Co.

Basle Securities Corporation

Kleinwort, Benson

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EUROPEAN NEWS

Group with Opus Dei links challenge Spanish reforms

BY ROGER MATTHEWS

MADRID, March 23.

REFORMIST ELEMENTS within the Spanish Government are now facing a determined challenge from a group of ex-ministers and others usually associated with the Catholic organisation Opus Dei. Key members of this group, who are basically opposed to a serious programme of liberalisation, have recently been appointed to positions of power within the regime and seem prepared to offer an alternative government to King Juan Carlos should the simmering Cabinet crisis finally come to a head.

People from the Opus Dei orbit, although not necessarily members of the organisation, are exercising considerable influence within the King's household, have control of important committees studying reform proposals in the Cortes, and undoubtedly have the sympathy of the President, General Franco.

Often known as the "technocrats," these men claim responsibility for the take-off of the economy when they were in power during the 1960s. Associates have also been winning the last final in 1973 via more junior posts in several crisis Ministries. It is said they are

Government proposals on permitting a wider degree of public participation in politics will have to be submitted to a Cortes committee headed by Señor Lopez Bravo, an Opus Dei member and former Foreign Secretary, under General Franco.

Another ex-Industry Minister associated with this group, Señor Lopez de Letona, has just been appointed to the Cortes by the King while Señor Lopez Rodó, now ambassador in Vienna and formerly economics overlord in the 1960s, has attacked in print the proposals made by Señor Fraga for a two-chamber Parliament. All three former Ministers have in private been campaigning against the plans of Señor Fraga and are particularly warning against the dangers involved for the struggling economy.

Often known as the "technocrats," these men claim responsibility for the take-off of the economy when they were in power during the 1960s. Associates have also been winning the last final in 1973 via more junior posts in several crisis Ministries. It is said they are

particularly strong in the Ministries of Public Works and Housing, while the influence they have in the banking and industrial sector is also growing.

They seem to have two courses of action open to them. One is to try and block or delay any reform proposals in the Cortes, thereby provoking the Cabinet crisis, or to manipulate the reforms in such a way that a heavily watered-down form of notice that would give an almost total advantage to the forces of the right wing.

Outside the inter-regime struggle, moderates, left-wing and regional groups are planning a series of demonstrations during the first few days of April. Barcelona will be the focal point on April 2, 3 and 4, while a mass demonstration in Madrid is being organised to support calls for a political amnesty on April 4.

Large forces of riot police patrolled the streets of the seaside town of Málaga today where a day of struggle had been called to protest at the serious level of unemployment in the area and to back demands for democratic freedom. No serious incidents were reported.

Iceland again requests U.S. ships

THE Icelandic Minister of Justice, Mr. Olafur Johannesson, has sent an official letter to the foreign office in Reykjavik, urging Iceland's request for two high-speed torpedo boats on a lease for use for coast guard duties inside the 200-mile zone. Mr. Johannesson has also sent two coast guard captains to the continent to look at similar ships there.

The Minister of Justice, who is also head of the Icelandic coast guard, said in his letter to the foreign office that Iceland should consider it a denial if the Washington Government does not answer the official request in the next few days.

Spanish officers

Jail sentences were confirmed today of nine Spanish officers accused of plotting a Portuguese-style military coup in the country, reports Reuter from Madrid.

The eight captains and a major were sentenced by court martial two weeks ago to terms of up to eight years. They were said to belong to an officers' secret society known as the "Martyrs of Democracy" which seeks a rapid democratisation of post-Franco Spain.

Gierek poll win

The Polish party leader, Mr. Edward Gierek, won 99.3 per cent of the vote in Sunday's Parliamentary elections, according to figures published yesterday, writes our Warsaw correspondent.

The results show that of the 99.2 per cent electorate turnout, Mr. Gierek won 99.3 per cent of the vote for the Government-sponsored National Unity Front, an alliance of Parliamentary political parties comprising the Communists, the Peasant Party and the Democratic Party.

Swedish investment

Swedish companies anticipate a drop in the volume of industrial investments by 3 to 5 per cent this year compared with 1975, according to a survey conducted last month by the Central Bureau of Statistics. Total expenditure is expected to reach Kr. 14.1bn. (£1.7bn.) against Kr. 14.6bn. last year, which in turn represented a 1 per cent increase in fixed prices over the 1974 level. Minima and the steel industry forecast a further investment increase this year, while the engineering companies expect to spend less.

Nato Commander

The Commander of Nato's central region, West German General Karl Schnell, said yesterday that it was unthinkable that the Soviet Union could mount a successful surprise attack against West Europe, reports Reuter from Brussels.

General Schnell, interviewed by Belgian Radio at his headquarters in Stuttgart, rejected the conclusions of a private study by a Belgian General made public earlier this month.

New Zealand surplus

New Zealand showed a surplus of \$214m on its balance of payments current account in the first quarter of 1976, according to figures published yesterday.

The surplus was made up of a \$124m trade surplus and a \$90m services surplus. The trade surplus was the largest since 1972, when it reached \$150m.

TURKISH-U.S. BASES DISPUTE

Crucial defence talks open to day

BY METIN MUNIR

ANKARA WILL terminate its special defence relationship with the United States and dismantle the U.S. bases on Turkish soil unless a satisfactory Turkish-American defence treaty is drafted, Turkish sources said here today.

The talks which open in Washington tomorrow will be crucial. They will take place between Turkish Foreign Minister Ismail Sabri Caglayangi and Dr. Henry Kissinger, the U.S. Secretary of State. The two men aim to complete and initial a draft on which their officials have been working in Ankara.

Turkish-American relations are already at a low ebb. They were up 13 months ago when the U.S. Congress imposed a ban on shipment of defence articles to Turkey because of Turkey's invasion of Cyprus.

The ban was implemented against strenuous opposition from the Ford Administration. This not only seriously under-

mined Turkish belief in the U.S. as an ally, but coinciding with Turkish efforts at re-armament in face of deteriorating relations with Greece came as a substantial setback.

Ankara reacted by shutting down the 26 U.S. intelligence gathering bases on Turkish soil directed at the Soviet Union and abrogating its defence treaty with Washington. Although the embargo was subsequently relaxed, this failed to satisfy Ankara which refused to restore the pre-embargo status quo.

The bases will remain shut until a treaty satisfactory to Turkey is agreed upon by the Ford Administration and ratified by Congress. The Turkish sources said, A proposal by Washington on the eve of Mr. Caglayangi's visit that a few of the most crucial monitoring stations be permitted to go on the air again was rejected by Ankara.

On many points a degree of agreement has already been attained in Ankara. Two crucial questions were left to Dr. Kissinger and Mr. Caglayangi. The first one is to satisfy the defence requirements Turkey is demanding in exchange for the bases and the second to guarantee that the embargo is not re-instituted.

According to diplomatic sources, Turkey is demanding yearly in grants and easy credit terms. Washington has so far been prepared to grant about half this total.

It is not certain at all that Congress will look kindly upon any sum which may be agreed for military aid without substantial progress towards solution in Cyprus which is not in the offing. Both Turkish and American officials here refuse to speculate on the outcome of the Washington talks, but neither are bubbling with optimism.



THE MAP shows the main U.S. air bases and intelligence monitoring stations in Turkey. There are 26 U.S. "installations" throughout the country, but some are very small. All U.S. operations, in the air and intelligence monitoring, ceased last summer and Turkey's officers are now in charge of all the bases, though there have been no major withdrawals of U.S. personnel. The one exception is at Incirlik where a U.S. Phantom squadron has been allowed to pursue its "purely tactical" functions. The NATO headquarters at Izmir has been left totally untouched, as has the range of NATO early warning tracking stations, because Turkey's quarrel has been with the U.S. and not with the whole NATO alliance.

American monitors in Turkey are less concerned with early warning than they were the way that any major Russian nuclear missile attack on the U.S. and Western Europe would come—but with keeping tabs on the important missile

Greece disturbed by naval, air manoeuvre

ATHENS, March 23. Ankara's intention to send a survey ship to carry out seismic soundings in the Aegean with a view to locating oil deposits and an impasse in talks concerning Turkish claims for increased air space control over the Aegean have, again increased tension between the two countries.

Well-informed sources said the Greek Government's views were made known yesterday in a meeting between Greek Premier Constantine Karamanlis and American Ambassador Jack Kubisch.

The sources said that the Greek Premier underlined that Turkey's provocative attitude could degenerate into an armed conflict with Greece with unpredictable repercussions.

Turkey is holding naval and air manoeuvres in the Aegean Sea this week, for the third time within one month. The new manoeuvres are scheduled between March 24 and 29 and will coincide with celebrations in Greece to mark the War of Independence against the Ottoman Empire.

has become evident that whereas Athens accepts that with present realities there is little room for manoeuvre in the Aegean, Ankara is more inclined to let this come about as a result of a *de facto* situation rather than an agreement bearing his signature.

In recent days opposition leaders in Greece have issued statements suggesting President Makarios was under pressure to make unacceptable concessions to the Turks. They said these concessions should be limited to giving the Turkish minority safeguards and increased privileges but should not include a continuation of the present separation of the two ethnic communities.

The Greek Government has denied it is pressuring Makarios but the opposition statements have been interpreted as being inspired by the Archbishop to stave off further pressure.

Also seen here to reflect divergences between President Makarios and the Greek Govern-

PRESIDENT GISCARD'S TROUBLES

The charm wears off

BY ROBERT MAUTHNER, PARIS CORRESPONDENT

THE IDES of March lived up to their reputation so far as President Valéry Giscard d'Estaing of France is concerned. At no time since his election two years ago has his image appeared so tarnished and has so much criticism been heaped on him from all sides. Anyone arriving in France for the first time would think from reading the newspapers that the President was about to be overthrown by a wave of popular discontent and would certainly be surprised to learn that his term of office does not expire until 1981.

The immediate cause of all this "rogné et grogné"—this anger and grumbling—is the General de Gaulle's famous description of perennial Gallic dissatisfaction, was the poor showing of the coalition in the recent cantonal elections and the decision to elect the franc only eight months after it has been brought back into the European currency snake in a blaze of self-satisfaction. In fact, the grumbling has been going on for a long time and the latest governmental setbacks have merely accentuated existing political divisions, not only between the government parties and the Left-wing opposition but within the coalition itself.

President Giscard is paying the penalty of having tried to be all things to all men and of disappointing everyone in the process. Elected on a platform of change and radical social reform, he has been increasingly criticised for concentrating on appearances rather than substance. Amused and flattered by his casual style at the beginning of his presidency, public opinion has become tired of what is now generally described as glumness. Breakfast with dustmen, lounge suits in official photographs, and national anthems are all very well, it is argued, but they are hardly adequate substitutes for the fundamental reforms which M. Giscard promised to introduce and most of which, with the exception of divorce, abortion and the vote at 18, are still pending.

The critics, it is true, often contradict each other, and are a reflection of their political affiliations. The president is taken to task for not introducing

more than that, that the Socialist-Communist opposition might win the next parliamentary election in 1978 and thus oblige the President to appoint a Government with ideas and policies very different from his own, has done more to affect M. Giscard's credibility than anything he has or has not done.

Not least, it has seriously undermined the unity of his heterogeneous coalition, the largest component of which is still the Gaullist UDR party. In spite of their basic dislike for M. Giscard, the Gaullists joined the Government after the 1974 presidential election and a landslide because they realised that this was the only way in which they could continue to have a say in the running of the country and survive as a major political party. However, now that the cantonal elections, in which they polled only 12 per cent of the total votes compared with the Socialists' 31 per cent, and lost as many as 45 seats, has shown

Rail strikes pose pay talks challenge

BY RUPERT CORNWELL

A SERIES of strikes of Paris railwaymen is causing great disruption to French rail services and is threatening the current round of public sector pay negotiations.

The trouble has grown from last Thursday's official 24-hour stoppage. After a brief lull at the weekend, unofficial strikes have seriously affected traffic at several mainline stations here, and today spread to St Lazare and Austerlitz. At the former, barely 25 per cent of scheduled trains were running.

More ominously, however, after a slow start the two biggest unions the CFTD and the Communist-led CGT, have thrown their weight behind the strikers, who have already played havoc with a traditional school holiday departure period.

The demands of the unions are substantial: an increase in minimum pay from Frs.1,600 (€180) to Frs. 2,000 per month, coupled with a guaranteed advance in purchasing power of 5 per cent in 1976 for the lowest paid, tapering off to 3 per cent at the top of the wage scale.

The response of the SNCF's management has hardly been calculated to reduce animosity. Yesterday it suddenly postponed a planned round of talks for 45 hours—almost an open invitation

MRCA price fixed at DM23.7m.

BY NICHOLAS COLCHESTER

BONN, March 23.

PANAVIA, the constructor of the Tornado multi-role combat aircraft (MRCA), and the engine manufacturer Turbo-Union have now come up with an offered ceiling price for the intermediate-strike version of the aircraft of DM23.7m. "fly-away" at end-1974 prices.

Subject to written data about the production programme, the West German Parliament's budgetary committee will give its recommendation for series production in four to six weeks' time, according to sources in the ruling Social Democratic Party.

A fixed price for the aircraft has still to be established, but the sources make clear that "the

argument is now over hundreds of thousands of Deutschmarks only." The overall impression gained here and at Panavia's Munich headquarters is that the MRCA programme has put its most worrying phase behind it, and is now set to become a successful example of international co-operation in the aerospace business.

The project's two major problems—delays in engine delivery and engine failure—have now been resolved. Here Karl Krauss, the MRCA flight-test director at Manching, says there have been no failures of the blading of the high pressure turbines since January. Rolls-Royce, the British partner in Turbo-Union, appears to have found an answer to this by shrouding the blade tips: a shrouded turbine is also under development. The engine's thrust is satisfactory, but its fuel consumption is less so, and there has been something of a weight penalty.

Flight testing has so far been encouraging, particularly the lack of snag encountered in the avionics which have been fitted to the fifth prototype onwards. The Tornado has already flown successfully in the "terrain following" mode that is vital for low-level operations, and has achieved 700 knots of a planned speed "on the deck" of 500 knots (820 mph).

As for the aircraft's disputed suitability for an air-defence role, the feeling at Manching and in Munich is that the aircraft's performance is adequate for the task the British Defence Ministry plans for it, but that the MRCA excels more as a "ground oriented" aircraft than as a fighter. Its decisive selling points here are its range, its ability to "loiter," and the saving in operating costs that will result from the use of a single basic aircraft, rather than its high-level performance. Neither in Bonn nor in Munich is there any sign of West German interest in the air-defence version.

Ispra unions urge quick EEC nuclear decision

BY DAVID CURRY

BRUSSELS, March 23.

THE "common front" of trade unions working at the Community's joint research centre at Ispra in Italy, has urged the Council of Ministers to make a quick decision to site the Common Market's JET project nuclear fusion at Ispra. It urges them to override "other forces" which oppose the choice of Ispra because "it is contrary to their interests in holding a monopoly of research."

It has also called on the Council to implement Commission proposals to equalise wage rates between different categories of workers doing similar jobs at Ispra rather than allow the "traditional enclaves" of the joint research centre to delay them.

The union intervention in the row over the site for the JET project underlines the feeling at Ispra that political bargaining will end by picking one of the three leading national sites for the JET project—Culham in the U.K., Garching in Germany or Cadarache in France. This feeling has been strengthened by the strong probability that Foreign Ministers will take over the sitting dossier from Science Ministers and that a decision could be reached at the Foreign Ministers' Council in May.

Science Ministers were unable to agree on a site when they met last month and they are not

scheduled to meet again until June. Meanwhile, a new report on the JET site is being prepared, and an earlier experts' study came down strongly for Ispra.

While the unions are pushing very hard for JET they admit that the more fundamental need of Ispra is for a long-term programme solidly financed by the central fund of research reactor safety, including the management of radioactive waste; alternative energy sources like hydrogen; and resource studies are mentioned as such fields.

They point out that the Essor reactor at Ispra is the largest installation available in Europe for studies of reactor safety, yet is presently only ticking over, thanks to an Italian national research programme.

The Sindicato Della Ricerca CGIL-CISL-UIL de Ispra, which represents about half the 1,800 people at Ispra, made a well-referenced to the improvement in industrial relations at the centre over the past 12 months or so. "The sense of responsibility demonstrated on so many occasions by the trade union must not be mistaken as being an acquiescence to any form of solution to the problems of the centre," it commented darkly, referring to "forces hostile to the independence of Europe in energy and technology."

Unlike most modern hotels, the Hotel Bristol is unlike most modern hotels.



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Of course, it does have all modern conveniences—a TV in every room and so on. But it is decorated in sumptuous Louis XV style. It's small and intimate—only 200 rooms. And the Louis XV restaurant has a great reputation for its excellent French cuisine.

Its location leaves nothing to be desired. There's been a hotel here, on the corner of Piccadilly and Berkeley Street for 200 years because it's perfectly placed for sightseeing, shopping, entertainment and business—

and the Hotel Bristol has its own car park. The modern facilities in the Bristol's specialist suites, give you the opportunity to hold a most enjoyable and exclusive social or business function, annual meeting or reception in the most luxurious surroundings.

And on top of all that, the Hotel Bristol takes a positive pride in personal service. Which, for a modern hotel, may sound quaintly old-fashioned.

Hotel Bristol
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A World of Experience.



HOME NEWS

Docks Board chairman says Felixstowe at risk

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE BRITISH Transport Docks Board yesterday stepped into the political battle developing over the future of Felixstowe Docks with a warning to Parliament that the port could be at great risk if its new owners, European Ferries, are allowed to remain in control.

The warning came from Sir Humphrey Brown, the Board's chairman, whose eye was clearly on today's House of Commons debate on the private Bill concerning the State-owned Board to take over Felixstowe.

Sir Humphrey emphasised the Board's determination to secure the passage of the Bill, which will wrest ownership of Felixstowe away from European Ferries, whose takeover had been accepted by more than 80 per cent of the docks' shareholders.

The outcome of today's debate is thought to be crucial, because although the main parties are likely to be opposed to each other, the private enterprise versus State ownership issue, party whips will not be in force.

Mr Keith Wickenden, chairman of European Ferries, took a pessimistic view yesterday, saying his first tour of Felixstowe since his company's takeover victory.

Vital stages

"It is almost certain we shall not win tomorrow night when the Bill has its second reading.

Barclays to lend CAMRA £195,000

By Kenneth Gooding

Barclays Bank is to lend up to £195,000 to CAMRA (Campaign for Real Ale), a London-based but registered company which is a spin-off from the Campaign for Real Ale and which set out to sell traditional draught beers through its own pubs.

Giving this news, the investment company's annual report this winter, Mr. Nicholas Winterton, MP for Margatefield, said: "£195,000—non-executive chairman, holds just one share out of the 190,000 issued at £1 each in October, 1964."

He said last night that the first meeting of the company's operations had been so hectic he had not given the matter of acquiring more shares any thought.

Although I will pay more shares I will never become a shareholder, he said, because it would prevent me from doing my job as an MP, and further, and perhaps the aim of CAMRA and of the investment company. If I had a large stake, it could be said I had a vested interest.

In the 47 weeks to January 31, investments had a net loss of £29,571 as the company set about acquiring five pubs and renovating them.

Renovation

So far, £145,500 has been spent on purchasing four freeholds (the fifth pub is on a 20-year lease) and another £110,792 on renovations. It is anticipated that another £145,750 will be required to complete the programme.

Barclays' loan, repayable over five years from next June, is earmarked for this renovation scheme. All five pubs should be fully operational by July.

He adds that for the remainder of 1976, the company's priority must be "to ensure the full implementation of our redevelopment programme for the five pubs we have now acquired."

"As this task is completed, we shall pursue the possibility of further acquisitions. We are still on the look-out for suitable houses, particularly in Birmingham, Brighton, and Norwich and other cities which are short of traditional draught beer or where monopoly conditions exist."

Conspiracy should be statutory offence—Law Commission

BY A. H. HERMANN

DEALING WITH one of the most controversial issues of criminal law reform, the Law Commission yesterday recommended the use of a new offence of conspiracy should be used in the future to fill gaps in the criminal law. Any such offences ought to be filled by specific legislation, it states.

Conspiracy is a common law offence if the object of the agreement is itself a criminal offence. The Commission recommends in a report published yesterday.

But before such a major step is implemented, states the commission, it will be necessary to fill in the gaps in five areas of criminal law.

In two of these areas—squatting and film performances and live shows offending morals and decency—the commission recommends the introduction of new statutory offences. In the third, concerning conspiracy to effect a public mischief and to commit "self wrong," the commission has no view on the creation of new offences.

This leaves two more areas of criminal law for later, more detailed consideration: conspiracy to defraud and offences against the administration of justice.

Administration of justice is sufficiently protected by other provisions. As far as conspiracy to defraud is concerned, the commission recommends the use of this common law offence pending its report leading to a "fraud" Bill. This will take considerable time to prepare.

Easier to grasp

The 213-page report deals in great depth with the problems of criminal law reform before reaching the conclusion that the offence of conspiracy ought to be defined as one requiring, in addition to agreement between the conspirators, also their full intention and knowledge of what they are about.

Though the present law makes it possible to prosecute those who plan and organise crime without executing it themselves, the commission considers that a statutory offence of conspiracy will make it easier for juries to grasp the criminality of "mere" planning of criminal acts.

As at present, there should be no possibility of a criminal conspiracy between husband and wife, or with a child, though it should remain a criminal offence to use a child as an instrument of crime—both these recommendations are pertinent to the Law Commission's report.

The Law Commission (Law Com. No. 76) Report on Conspiracy and Criminal Law Reform, House of Commons Paper 176 SO, £2.45.

Government decision soon on helping Laing Offshore

BY RAY DAFTER, ENERGY CORRESPONDENT

THE GOVERNMENT will decide within the next few weeks whether it will give aid to Laing Offshore, the Hartlepool oil platform yard faced with an order to close.

It is felt in the Government that one or two oil production platforms might be ordered later this year. If the contract involved steel construction it would almost certainly go to Laing, which is in the most serious position among Britain's platform-building industry. However, there is a wider concern for other yards which are also running short of work.

Although Mr. Smith has not yet reported on his recent series of meetings with major oil companies, potential platform-builders, it is understood that he was told there was little possibility of contracts being accelerated to help Laing.

Mr. Anthony Wedgwood Benn, Energy Secretary, Mr. John Smith, Minister of State at the Energy Department, and the Offshore Supplies Office are among those examining the report in the hope of keeping the yard open.

Financial aid from the Government is one idea being considered, but if it is accepted it will almost certainly be linked with other industrial activity at Graythorpe.

It has been suggested, for instance, that the yard become involved in fabricating work, possibly on a sub-contract basis, until it receives a major platform order of its own. Another suggestion being considered is that Laing start to build a gas platform on a speculative basis.

But Ministers and Department officials are concerned that Laing should not undertake speculative work which might preclude the yard from accepting an oil platform order at some later date.

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ROYAL COMMISSION ON THE PRESS

Charter must safeguard three basic rights, say Liberals

BY MICHAEL THOMPSON-NOEL

THE TIME had come to abandon misguided discussion about who was to draw up the proposed voluntary Press Charter and get down to deciding what the Charter ought to contain, the Royal Commission on the Press was told in London yesterday.

The Liberal Party, giving evidence to the Commission, said that under the Government's Trade Union and Labour Relations (Amendment) Bill, no Minister would have the power to impose a Press Charter but would have to submit one to both Houses of Parliament if the newspaper industry itself failed to formulate a Charter voluntarily.

The essential job now, said Lord Wigoder, deputy Liberal Whip in the House of Lords, was to discuss what the Charter should contain.

Mr. Vere Harmsworth, chairman of Associated Newspapers Group, later told the Commission that he hoped common sense and public spirit would combine to produce a workable Charter, but that he would have preferred one that was enforceable at law.

Lord Wigoder said that the Charter should safeguard three basic rights: the right of access to newspapers by outside contributors, whether they belonged to a trade union or not; the right of editors to protection against all forms of improper pressure; and the right of journalists either to join a union of their choice or not to join a union at all.

In the context of a journalists' closed shop, Lord Wigoder said there was no reason to be suspicious of the National Union of Journalists as a whole, despite the behaviour of individual branches or members.

Mr. Lamb, former editor and joint proprietor of the City Press, told the Commission that the Pearson Longman Group had a monopoly of specialist financial journalism through its ownership of the Financial Times and its stake in the Investors Chronicle and the Economist.

He said the group had not abused its position and that he admired the Financial Times management but that the Financial Times and Investors Chronicle ran an "almost indecent number of advertising supplements" which mopped up firms' financial advertising budgets.

Turning to what he said was another problem, Mr. Lamb said that in general, some editorial staffs were strongly pressed to mention advertisers' names, and there was an element of "padding." He did not know of any newspaper that pushed shares.

Mr. Lamb said that some companies, such as those run by the late Sir Denis Lawson, and Slater Walker, were tremendous financial advertisers. For this reason, Mr. Lamb said he did not think it was unconnected that the "malfunctions" of the Lawson companies were not exposed.

When they were in fact exposed by the Investors Chronicle, said Mr. Lamb, Sir Denis withdrew his advertising from the Chronicle.

Mr. Lamb said he had had no knowledge of the dealings of the Lawson companies or Slater Walker.

Financial advertising was a free-for-all, he said, which needed controlling in the public interest.

During Associated Newspapers' evidence to the Royal Commission, which is hearing oral evidence all week, Mr. Harmsworth said that the prospect of a journalists' closed shop raised the "whole principle of liberty and freedom of the Press."

He said that in Soviet Russia, newspaper censorship was imposed through membership of trade unions.

He was not suggesting that the present leadership of the NUJ had any intention of censoring news. "But if an extreme group got control of the NUJ it could impose a reign of terror on its membership," he said.

Mr. Harmsworth said that five clauses would be essential in any Press Charter.

—The editor should accept sole responsibility for the contents of his publication.

—The editor should have the right to commission, and to publish or not to publish, any article or material he wished.

—The editor should be free from all interference and pressure in exercising his right, which was essential to Press freedom.

—The editor, or others exercising the duties of an editor in his absence, should be free to discharge these duties without the obligation to join a trade union.

—A journalist should be free to join a properly recognised union of his choice.

—A journalist should not be excluded nor expelled from membership of a union because of anything he had written or refused to write for publication.

The group's editorial director, Mr. Howard French, stressed that journalism was not an industrial process that was suited to a closed shop but a creative process. It was desirable that the present alternative to the NUJ, the Institute of Journalists, should not be destroyed. The Press Charter, he said, should be formulated so as to outlast any particular brand of union leadership.

Mr. Harmsworth was asked by the Commission's chairman, Prof. Oliver McGregor, what he thought of a TUC suggestion—during evidence to the Commission—that the London Evening News was being deliberately run to incur losses which would provide an excuse for closing it down.

Mr. Harmsworth said: "If it has been said we are manufacturing losses to close something down, it is not true, nor is it quite sensible. To close the Evening News would involve redundancy payments of about £10m. and I fail to see why we should try to make losses in order to incur liabilities of £10m."

Munich freight link open

BY OUR SHIPPING CORRESPONDENT

A NEW door-to-door inter-North Sea crossing to Scheveningen, in Holland, and then on to Rotterdam to Munich by train.

Norfolk Line claims that the service offers a door-to-door transit time between Britain and Benelux or Rhine-Ruhr areas of left from the Midlands, the north 34 hours and less than 72 hours of England and Scotland for a to Bavaria and Austria.

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This is the Paris Air Bridge. The easier, faster way to Paris.

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Travel light and you travel even faster.

Gate check-in facilities at London and Paris mean that you can go straight to the departure gate.

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From the introduction of the Paris Air Bridge

most flights will be

in the comfort

of wide-bodied

aircraft: either

the Airbus or the

Tristar.

No matter how full the

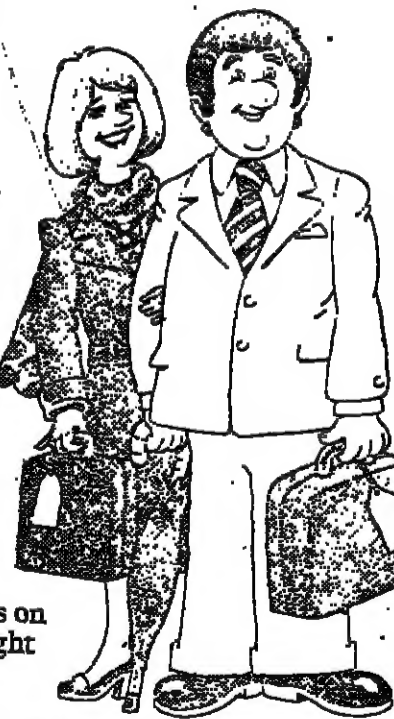
aircraft is, there'll be

enough room for you to take

a weekend case into the cabin with you.

So even if you're staying a night or two, you still

won't have to queue for your baggage.



Charles de Gaulle

Efficient check-in and baggage handling, automated walkways, sensational circular architecture and a comprehensive range of services and shopping facilities make Charles de Gaulle the world's most advanced airport.

Remember that Charles de Gaulle was designed to ensure that the passenger does not lose on the ground what he gains in the air. You'll realise how much easier your trip to Paris will be.

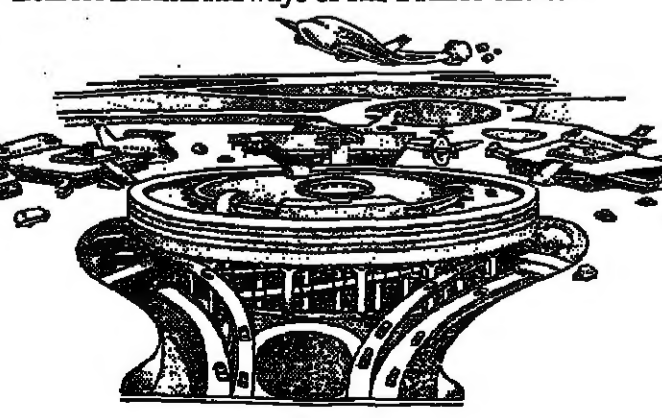
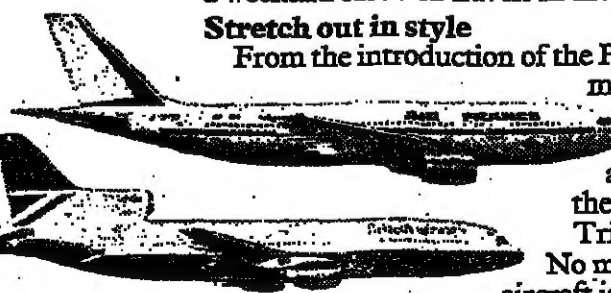
Beat the Paris Traffic

The last leg of the Paris Air Bridge will be a special train service from Charles de Gaulle's own railway station.

From May 31 it will whisk you to the Gare du Nord in the heart of Paris in just under half an hour.

The Paris Air Bridge makes Paris the simplest trip in the world.

For further details, see your Travel Agent or nearest British Airways or Air France office.



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HOME NEWS

Du Pont predicts 2.5% growth in fibre demand

BY RHYS DAVID, TEXTILES CORRESPONDENT

A 2.5 per cent. rate of growth in Western Europe's consumption of all fibres—with synthetics growing at 7 per cent.—is forecast for 1978-80 by Du Pont, the world's biggest fibre producer.

The company warns, however, that for viable synthetic fibre manufacturing operations to be maintained in Europe, prices will have to be increased and further efforts made to regulate the development of international textile trading.

The Du Pont forecast comes in the wake of reports by most big fibre manufacturers in Europe of heavy losses in their fibre operations in 1975, as a result of depressed trading conditions in Western European countries and increased penetration of the market by imports.

Turnover

Du Pont itself, which was running its European plants at less than 50 per cent. capacity early in 1975, ended the year with shipments up 11 per cent. over 1974 at 175,000 tonnes, after returning to higher levels of production—around 75 per cent. capacity—in the final quarter.

Prices were under pressure throughout the year, however,

with the result that turnover was only equal to 1974.

The effect of price erosion, coupled with the high cost of operating capital-intensive fibre plants well below their productive capacity, was to make losses in Europe inevitable, the company states.

On fibre sales throughout the world—at \$2.5bn, more than one third of total Du Pont sales—the company made a profit of only \$6m.

Mr. Hayden Pickering—Du Pont International's managing director, fibres—claims in a year-end review that there are now signs that the textile industry is heading to rebuild stocks, offering prospects for a substantial recovery in man-made fibre shipments in 1978.

He warns, however, that the improvement is still far short of what is required to restore profitability to the level needed to sustain future growth.

Significant modification of the Multi Fibre Agreement, which now governs much of world textile trading, would be needed to ensure that development of the industry, throughout the world, continued on an orderly path.

Mr. Pickering was echoing a similar call last week by Mr. Leonard Regan, chairman of Carrington Virella, for changes in the agreement. He stressed that Eastern Europe and China would have to be brought within the scope of agreements.

Disruption

Mr. Regan pointed out in his remarks that the growth rate allowed to exporting countries under the MFA—6 per cent. a year—could be tolerated under normal circumstances, but could still cause severe disruption at a time of recession. There should instead be a mechanism within the MFA for relating the flow of imports to prevailing market conditions in the importing countries.

Mr. Regan called for a new long-term import policy to be drawn up within the EEC which would place a global limit on the quantity of textile and clothing goods arriving from all developing countries. He also suggested that controls should run for five years instead of three because of the time-scale required for new investment to be planned, and that quotas should be based not on the immediate past but on a longer and more representative period.

Concorde pilots to train on simulator

By Michael Donne, Aerospace Correspondent

THE BRITISH AIRCRAFT Corporation is to start training British Airways pilots next week on the £3m. Concorde flight simulator which has been built at the BAC factory at Filton, Bristol.

The ground-based simulator is supplied by a consortium of Rediff, Flight Simulation and the Link-Link Division of the Singer Company (U.K.), with finance provided by British Aerospace.

The simulator, approved by the Civil Aviation Authority, consists of a complete replica of the Concorde flight deck with associated electronics and a moving map display, enabling pilots and flight engineers to be taught on the ground how to fly the Concorde.

Agreement

BAC will sell time on the simulator to British Airways and other airlines, undertaking all the necessary training to turn out complete Concorde crews.

All British Airways Concorde crews will be trained under the agreement to the end of 1977. They total 120, made up of 80 pilots and 40 flight engineers. Training by the simulator costs about one-tenth of actually flying crews in a Concorde; about £500 an hour against £5,000 an hour.

The crews will be trained much more intensively because handling of various emergencies can be taught on the simulator more easily than in flight, avoiding hazards to lives or equipment.

The simulator moves into service at a time when British Airways is about to expand its route network, with flights to Washington due to start on May 24.

The airline expects to have enough pilots to meet its foreseeable needs for the five Concorde it is buying. It has taken delivery of two and is due to get its third in June, its fourth later this year and the fifth early in 1977.

Country bus fares to rise

FARES on London country buses and Green Line coaches will be increased 1p-5p from April 1. It was announced yesterday. Continually rising costs have left us no alternative," said Mr. John Talbot, London Country's operating manager.

Boost for shoes

A SPECIAL shoe week is being held in Norwich in May to boost orders and save the jobs of 6,000 people working in the industry. One of the city's biggest employers, several factories have announced redundancies and one is having to close this summer because of a flood of cheap imports.

Scottish Assembly must have power, says MP

BY CHRIS SAUR, SCOTTISH CORRESPONDENT

LABOUR's new Prime Minister and Cabinet, when they are chosen, were warned in advance yesterday that Scottish voters would not be satisfied with "an economically gutless" Scottish Assembly.

The "fraternal advice" was given by Mr. James Sillars, Labour MP for South Ayrshire, who leads the breakaway Scottish Labour Party. He said that the new Scottish Parliament must be given the means for exercising "the maximum possible independent judgment and action in matters affecting the Scottish economy." This was the driving force behind the demand for home rule, he said.

Speaking at Irvine, Mr. Sillars launched his attack in the expectation that Labour's annual Scottish conference this week-end would endorse proposals from its executive and from the Scottish groups of Labour MPs for increasing the industrial and fiscal autonomy of the Assembly. He said that under these proposals, the assembly would have full control only of the Scottish Development Agency. It would be grossly under-equipped to tackle the difficulties facing Scotland in the next decade.

'No fiefdom'

He urged the incoming Prime Minister to ignore the advice he received from some of his colleagues that the modest additional transfer of powers proposed for the assembly would be sufficient to see Labour past the

next general election. "The new Prime Minister should understand that he is dealing with a nation, and not a political fiefdom to be manipulated in order to extract a 'tribute' of seats to maintain a parliamentary majority in the U.K."

Defining the kind of "home rule" that Scotland needed, Mr. Sillars said "there is no hope of Scottish recovery if we are afraid to demand from Westminster the right to economic self-management." With previously prosperous regions, like the Midlands now facing serious long-term difficulties, Scotland could no longer rely on traditional regional policy. There had to be regeneration of indigenous industry.

He then described SLP policies which will strike many as being remarkably close to those advocated by the Scottish Nationalists. The minimum requirements for a Scottish assembly were that it should control all energy resources, including oil; most U.K. and EEC regional funds; ports, airports, steel, shipbuilding, internal transport, agriculture and fishing, as well as training and manpower policies. The assembly should also have a revenue raising capability, a share of North Sea oil revenues and a say in future policy agreements between oil companies and the U.K. Government, affecting depletion and the rate of development offshore.

If the incoming Prime Minister opted for anything less, said Mr. Sillars, he would be choosing

short-term, short-sighted policies in which the Scottish assembly would have no higher than a pawn in the Westminster political game.

Burroughs lifts computer prices

By Roy Levine

BURROUGHS' MACHINES has raised its prices for the second time in six months. The increases, announced in London last night, range from 4.4 per cent on products made in the U.K. to 14 per cent on some imported machines. They will take effect immediately.

The last increase was in October, 1976. The average rise of 8.6 per cent for mainframe computers and configured terminals follows the average rise of 8 per cent last October in this category. Price rises for the rest of the company's product range depend upon country of manufacture.

Its eight U.K. plants produce minicomputers, the Burroughs 18000 minicomputer, cash dispensers and a many people, but the range of peripheral computer equipment, including terminals and encoders.

Castle sets April deadline for doctors' contracts

BY DONALD MACLEAN

LOCAL HEALTH authorities vidual contracts depend have been asked to put the agreement between the recently signed contract for his employment authority hospital doctors into effect. "Authorities who have a action by the end of April, Mrs. Castle said, with a mid Secretary, said in the House of Commons yesterday. The terms of the new co Instructions to the local, em- were agreed earlier this playing authorities were agreed following industrial action with doctors' representatives on just before (those below March 9 and issued on March 11, submit rank) over the qu but the completion of indi- of over-time pay.

Hull The M62 connection

This spring sees the completion of the final eastern sections of the M62, firmly connecting the city an seaport of Hull with the national motorway network and reinforcing Hull's role as a key communications centre of Western Europe.

Over 30 unit load cargo sailings a week link Hull with various continental ports, and this highly versatile North Sea trade route is now about to be extended by motorway from Hull right to the heart of industrial Britain.

Companies interested in sharing in the future economic growth of Hull, the city at the crossroads of Europe, are invited to contact

Ian R. Holden, Director of Industrial Development Kingston upon Hull City Council, 77 Leazes, Kingston upon Hull, Tel. (0482) 223111



Hull - a Great British City

From 5th April Jordans are open in Cardiff, too

Our new Cardiff office is just opposite the Companies Registry.

From 5th April, we will provide the following services on the spot in Cardiff:

- registration of companies
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For details contact us in Cardiff or London.

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Jordans

Merchant banks are shrewdly analysing

GROUPTHINK

Grouthink is a way of facing the world in good style. The idea started fifty years ago when the founder of University Tailors hit on a method of making suits available to all by sharing them and their cost around. It was like joining a club. Subscribers paid an annual fee. This entitled them to have suits collected regularly from their homes or offices. All minor repairs (as many as 53) were attended to. And then (almost before you can say Savile Row) suits were returned in immaculate condition, ready for wear. Now the founder's son has taken this idea a stage further. Any number of directors and top executives can group together and enjoy the advantages of good grooming in the traditional University Tailors manner. Grouthink. Stock-brokers in Greater London are taking up Grouthink on behalf of their top people. So are accountants and merchant bankers, commercial undertakings, and manufacturing concerns, partnerships as well as boards of directors. Join them. Send the coupon today. It could turn out the most immaculate gesture you'll make in 1978.

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FT CLIPPER RACE

BY ALEC BEILBY

Kriter's hope of sailing records crushed by easterly winds

FRENCH HOPES of retrieving their misfortune in the Financial Times Clipper Race by establishing new sailing records were crushed last night. First, the 5 p.m. deadline for the round trip to Sydney slipped past, and the French watching the entrance to Dover Harbour, knew the strong easterly winds pinning their ketch Kriter II in the western Channel would prevent the one-way record falling.

Until yesterday morning, it had seemed possible that Kriter, which came second in the first leg of the race to Sydney to the record-breaking GB II by 41 hours and then lost her rudder on the second leg while seeming set to overtake the British yacht south of New Zealand, might well have broken the new records of GB II.

No options

She was certainly well placed to achieve this until she met northerly headwinds of 50 knots just south of Ushant on Monday. Had she taken the more westerly course chosen by GB II on her track from the Azores she could well have had the wind on her beam; but she sailed close to the Finisterre and then clipped the

Brittany coast, leaving no options for her approach to the Channel. By noon yesterday, having rounded Ushant at night in the face of the difficult conditions that slip round the north-west promontory of France, she was north of Brittany.

Because they had to steer northwards to round Ushant the French caught all the tides wrong and when they should have been crossing the finishing line to take the record for the full distance they were still fighting a further six hours of west-running tide between the Channel Islands and Dartmouth, more than 150 miles from Dover.

With this news it was obvious in Dover that she would also miss breaking the second record established by GB II for the leg from Sydney to Dover, the deadline being 11.32 (BST) last night. However, none of this is detracting from the welcome being prepared in Dover by the many French supporters and the members of the two crews of GB II Kriter should reach Dover to day, possibly within 12 hours of the British record and this, in itself, is a remarkable achievement by Olivier de Kersauson and his young crew in the face of the enormous disappointment encountered off New Zealand as they waved the British yacht on to victory. Like GB II they will have broken the 68-day record for both the outward and homeward voyages set by the Clipper Patriarch, one of the objects of the Clipper Race.

Begrudge

In compensation the disappointed French can still claim second place for the full distance of the race despite the 37-day delay and will win the Cutty Sark Society Silver. The Dutch crew of The Great Escape are unlikely to begrudge them the second prize as they themselves sail the final miles up the Channel to the finish, probably arriving during the week-end.

The French yacht Pen Duick VI crossed the finishing line in the Rio to Portsmouth Gold Tankard Race at about 2.45 p.m. yesterday, probably 1,000 miles ahead of her nearest rivals and almost exactly 50 days after the start.

As they berthed with almost no-one to welcome them the 14-man crew were met by a single Whitebread official handing out cans of English beer.

From 5th April Company Registration moves to Cardiff

From 5th April, you should send all applications to

- register companies
- approve company names
- change company names

to Cardiff—to the new Companies Registration Office for England and Wales.

Improved search facilities

From April, faster and more convenient search facilities, based on microfilm copies of company records, will be introduced progressively in Cardiff and London.

For a leaflet about these new services, write to Companies House, Room 514a, 55 City Road, London EC1Y 1BB (enquiries tel: 01-253 9393 ext 272).

Remember, from 5th April new registrations go to...

**Companies Registration Office,
Crown Way, Maindy, Cardiff, CF4 3UZ.**

Telephone enquiries: Cardiff 45915.



CAN ONE OF CANADA'S MOST SUCCESSFUL INTERNATIONAL COMPANIES GET GLOBAL RECOGNITION WITH A NAME CHANGE?

YES. HOW?

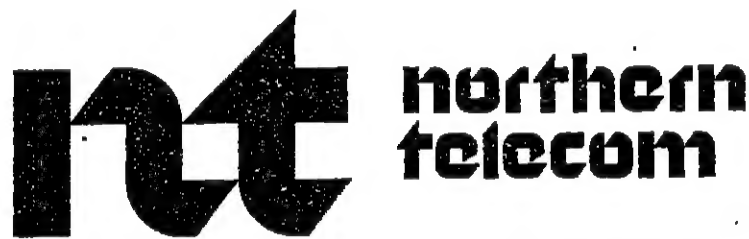
By changing our name we are now able to market our products throughout the world under one corporate name. This means instant recognition no matter where we sell our products. Before we changed our name we sold our product as Northern Electric in most of the world. But in the largest single telecommunications market of them all, the United States, we were unable to do so. In the United States the Northern Electric name was already being used by a manufacturer of electrical appliances. In addition, a competitive manufacturer there uses the name North Electric. Obvious elements of confusion for customers, suppliers and investors alike. To eliminate such confusion we have changed our name to Northern Telecom, a name we have used successfully in the U.S. since 1971. It is the name by which we will be known wherever in the world we design, manufacture or sell our products.

WHO AND WHAT WE ARE.

We are the principal manufacturer of telecommunications equipment in Canada and the second largest in North America. Sales in 1975 exceeded one billion dollars.

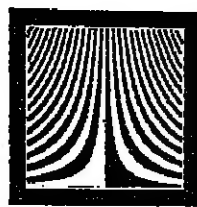
In 33 factories — 24 in Canada, six in the U.S. and one each in Turkey, Ireland and Malaysia — we manufacture one of the broadest lines of telecommunications equipment in the industry.

Our products are conceived and designed in Canada's largest industrial research organization, Bell-Northern Research. From these labs has come personal and business telephone equipment that has established design and performance standards for the world: electronic private automatic branch exchanges that have made us the largest single EPABX supplier to the North American telephone industry, outside the U.S. Bell System, and the SP-1 electronic central office switching exchange that, in the four years since its introduction in North America, has outsold all competitive systems. To date more than 1.2 million lines of SP-1 have been sold.



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The new name in world telecommunications.





The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

COMMUNICATIONS

Talking computers answer questions

LOW-COST telephone access to a computer anywhere in the world, with the difference that the computer will reply to questions in a human voice, is the idea behind Muirhead's launch of the Voicepac 2000 voice response system.

Under an agreement with Peripherals Corporation of America, Muirhead is to market the data capture medium in Europe where it is scarcely known. The equipment is "taught" to speak by pre-recordings of customer-selected vocabulary of up to 1,500 words on a magnetic disc. Words, phrases or long sentences are stored in a way which enables new expressions to be formed from words already in store.

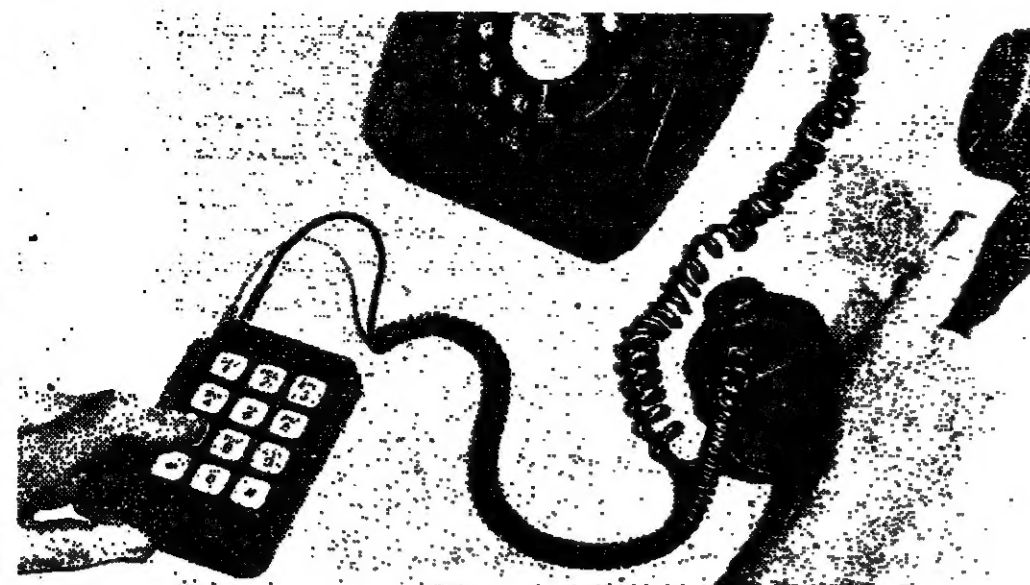
Access to the system is by way of a tiny, inexpensive keyboard terminal like a pocket calculator, acoustically coupled to a phone.

Applications are seen in credit authorisation, stock inquiry, airport control and cargo location. The unit could be used by travelling salesmen and insurance representatives to give illustrations and verify quotations in the home and shop, as well as many other applications.

In the U.S. Peripherals has sold 180 systems of which 140 are linked to IBM machines. Banking and industrial sectors are the biggest customers.

Bank of America is using Voicepac for checking on stolen credit cards. Another company, involved in packaging and freight, is able to provide an instant location service through the system.

The voice response of the "2000" is part of a complete



front end processing system based on a PDP-11 series mini (anything from the 11/05 upwards) with cartridge disc data storage, and an audio disc which can hold up to 2,000 pre-recorded responses to user inquiries. This section of the installation would cost from £30,000 to £50,000.

Price

But the real advantage over the alternative teletype-based operation is in the price of terminals—each printer link-in would cost about £1,000 against Muirhead's £35 unit.

As can be seen from the illustration, the personal terminal is extremely simple and compact. There is a penalty to pay through encoding, though this is no real

problem provided the system is designed to fit the needs of the communicators, 95 of whom can use the equipment simultaneously without overload.

Most important, the equipment has been approved for connection to Post Office circuits.

It can be used to tap virtually any kind of data bank, to give men on the move instant information essential to their jobs, and without involving central office staff.

Because the touchtone is not in common use yet, Voicepac users in the U.K. need a simple hand-held unit which has a rubber cup attachment to the phone. The voice response is heard on the telephone earpiece. Muirhead has already received

enquiries about the Voicepac. Interested companies are involved in electrical components, confectionery, detergents, and credit cards.

Synthetic voice response equipment is not new. But the simplicity and ease of use of the Muirhead terminal, together with the flexibility and low cost of the central equipment, should take Muirhead into a major market in which it will be competing with IBM, among others.

The next barrier to come down will be that of the low-cost one-minute A4 facsimile transmitter—a project which should bring Muirhead, Beckenham, Kent, (01-650 4888).

RESEARCH

Fibre-optic study

EUROPEAN Space Agency has awarded a study contract to Cambridge Consultants to conduct a survey of the present technology in fibre optic communication and to produce designs for a spacecraft multiplexed data transmission system.

Fibre-optics are especially attractive for use in spacecraft owing to their high reliability, immunity to electrical interference, low weight and high data carrying capacity. In a recent U.S. aircraft data transmission system for example, 13 fibre-optic cables replaced some 300 copper bearers.

Components for the system will be selected for reliability (10-year missions are envisaged) and compatibility with existing equipment.

The company is also looking at such a system for marine use. More from Bar Hill, Cambridge CB3 5EZ (0854 80461).

Tiny cooler works off the mains

COOLING OF infra-red devices by means of cryogenic liquids (such as liquid hydrogen) sometimes gives difficulties. For example, the cryogen is not always available and the handling of such liquids is inconvenient.

To meet these objections an engineer of the Philips Research Laboratories in Eindhoven has designed a portable miniature Stirling cryogenerator.

The cryogenerator is driven by an electrodynamic vibrator, essentially a loudspeaker magnet

and coil. This vibrator is connected directly to the piston of the cryogenerator. The free displacer piston is given the required motion by coupling it pneumatically to the directly driven piston. By suitable choice of the pressure of the working medium, the system can be tuned to resonance at the mains frequency. In the model which has been built, the pressure is about 15 atmospheres.

The machine operates silently and can be made vibration-free by means of an auxiliary mass attached to the machine by a spring; this balances out the inertial forces of the vibrator. The moving parts require no lubrication and the machine requires no maintenance. The cooling capacity is 0.5 watt at 80 deg. absolute. The prototype weighs about 3 kg.

Philips, POB 323, Eindhoven, The Netherlands.

sure required to balance the load providing the read-out which can be on a dial or electronic for data logging.

Centrifugal pumps

TWO CENTRIFUGAL pumps have been added to the UR range marketed by Girdlestone Pumps, Melton, Woodbridge, Suffolk IP13 1ER (03945 4771).

Maximum output is 3,500 g.p.m. Special backplates enable almost any make or type of shaft, seal, impeller arrangement to be fitted to a standard pump without modification to the main components.

Impeller and flow inducer design enables an output of 678 g.p.m. to be achieved from a 2-foot head. Standard pumps can be converted to self-priming and certain sizes are available with semi-open and fully open impellers.

Construction can be of cast iron, bronze, a range of carbon and stainless steels, SG iron, and alloys such as Hastelloy and Inconel.

PRODUCTS

Cuts grass, scrub and hedges

STATED TO be capable of cutting grass, scrub and light or medium hedges with equal facility, the Hydrocut Horset incorporates a carbon steel rotor, and a knife and chisel flail combination.

The maker says it produces a reasonably clean cut when used for hedge work, rather than the unsightly shattering left by the heavy hammer type of flail.

The cutter was designed by

Flying controls! DOWTY Cheltenham, Engle

T. B. Chamberlain, managing director of Hydrocut, Sudbury, Suffolk (07873 73171).

PLASTICS

Water tank for the tropics

A NEW RANGE of Hydromodular storage tanks has been developed for use in the tropics. They are made by BTR—forced Plastics of Uxbridge assembled from moulded panels.

Principal modifications concern the sealants, which must be suitable for use anywhere in the world, and the formulae of the grout material. Additions have been made to the tanks to increase the resistance to ultra-violet light, so the tanks may be used in the tropics where ultra-violet degrades have presented a problem.

The heat resistance properties of the material has been upgraded and the tanks will withstand temperatures of 80 deg. C. and above.

The company (01-634 4444) has an order for two 5 gallon tanks for domestic supply systems in Dubai.

Reject material is reduced output can be raised by 1.5 per cent, both in continuous and semi-continuous operation. Where very large copper rods are being cast the oxide of extreme importance.

Quality control underpins the process. The result of infra-red scanning to a short-circuit in the cast tank house has been an improvement in quality due to temperature control of the steady cell conditions and precise sludge deposition.

Further information has been made available to ensure electrolysis efficiency, particularly in terms of power is so expensive. Savings of around 440 hours per 1,000 tonnes have been achieved over three years, plus a great deal of initial time to the innovation.

IRPS—Infrared Process Supervision—is the scanning system designed in conjunction with AGS Sweden specifically for thermal mapping of the conditions in the tank house.

It damaged the development of tough equipment and reliable procedures and is one of the rare examples of an advanced technique for its way very rapidly into large scale industrial production.

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PROCESSING

Laser cuts panels

BORON EPOXY aircraft rudder skin panels are being cut by computer-guided laser beam. Installed at a cost of \$750,000 by McDonnell Douglas Corporation, at St. Louis, Missouri, U.S., the unit will start on April 1—work cutting equipment takes only four minutes per sheet compared with the eight hours required for manual cutting of such precision panels.

Boron epoxy is a high strength composite used on the F-15 Eagle air superiority fighter.

Full production of F-15 composite rudders using the laser unit will start on April 1—work cutting equipment takes only four minutes per sheet compared with the eight hours required for manual cutting of such precision panels.

The equipment was supplied by the Hughes Tool Company. In California, McDonnell

F-15 combat fighter. Use of composites including graphite epoxy reduces the weight of aircraft parts by up to 25 per cent.

The laser, which has an output of 500 W and is of the carbon dioxide continuous type, has a cutting speed from 10 to 200 inches/sec. The composite material is 0.005 inch thick, and the kerf is 0.03 inch (width of cut).

The equipment was supplied by the Hughes Tool Company. In California, McDonnell

The Corporation has a U.K. office at 66/68 Goldsworthy Road, Woking, Surrey GU21 1LQ (04982 71311).

Douglas is using composite materials to produce experimental parts for testing in the DC-10 jetliner programme. Such parts include an upper, aft rudder for the wide-cabin DC-10.

This rudder, with a span of more than 13 feet and an area of 34 square feet, is among the largest aircraft elements made from composites.

The Corporation has a U.K. office at 66/68 Goldsworthy Road, Woking, Surrey GU21 1LQ (04982 71311).

This achievement has not been reached overnight since the primary decision to attempt continuous casting, followed by rolling, without any cool-down, was taken in 1970 when it was also decided to site the facility next to the huge electrolytic cathode plant at Olen.

Key to the process was the successful application of a Hazeltine twin-belt casting machine whose small angle of inclination from the horizontal

METALWORKING

Improving copper rod production

LATER this year, a first standard production plant embodying the Coniford method of continuously producing copper wire rod

directly from a continuous casting installation will go into production at Olen in North Belgium.

Of great significance at a time when cross industry has hit every industrialised country is that the new plant will cost no more than the pilot/producer unit which started up three years ago.

This is undoubtedly a major achievement for the designers, who have succeeded in packing a very complex production line into about 25-30 per cent less space than the pilot line while raising production of 31 and 5-tonne coils from 100,000 to 140,000 tonnes a year.

This achievement has not been reached overnight since the primary decision to attempt continuous casting, followed by rolling, without any cool-down, was taken in 1970 when it was also decided to site the facility next to the huge electrolytic cathode plant at Olen.

Key to the process was the successful application of a Hazeltine twin-belt casting machine whose small angle of inclination from the horizontal

meant that very little had to be done to the emerging bar before feeding it to the rolling mill train. Thus there is virtually an ideal metallic structure in the bar to be drawn, at the outset.

Casting speed at the start is about 36 feet/min, but at the pickling stage, the wire rod is moving at 4,300 feet/min.

Increasing pressure for higher purity materials is coming from the wire drawers who are working at higher and higher speeds and supplying the extremely demanding electronics industry.

Control of the train of rolls and motors is obviously one of the most important sectors of expertise in the design of the plant and it is interesting to record that not a single motor breakdown has been experienced in 31 years operation. Of course there are shear points to permit the bar or rod to be diverted should a breakdown occur.

There is little doubt that the future lies with plant like this, since producers of cabling and wire for the electrical and electronics industries are pressing for larger and larger coils. But production of rod from wirebars cannot yield coils of more than about 150 kilos without joints.

Pressure for higher and higher purity of the copper to some extent outweighs energy con-

servation considerations, though the introduction of oxy-burners has permitted the company to raise output of its primary purification furnaces from 270,000 to 300,000 tonnes, avoiding the need for a sixth furnace and reducing the cycle time from 28-45-18 hours.

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RETURN TO: Mychelle Hunter, Financial Times, Business Enterprises Division, 388, Strand, London WC2R 0LT or call her on (01) 836 5444.

A department of the Financial Times Registered in London Number 227590.

COMPONENTS

Gets signal from shaft on the move

A non-contact system able to extract torsional strain measurements from a rotating shaft without contact is offered by Accutec Corporation of California and supplied in the U.K. by Technitron, Doman Road, Camberley, Surrey (0276 26517).

A collar, which can be supplied to suit any diameter of shaft, contains transmission electronics and is clamped in position for connection to a four-core strain gauge. The bridge voltage, varying according to torsional strains in the shaft, is used to pulse-width modulate a constant amplitude 5 kHz square wave and this signal in turn frequency modulates a 10.7 MHz radio carrier which emits a signal from a loop inside the collar.

A fixed loop round the shaft (but not in contact) serves the dual purpose of picking up the signals and also of feeding power to the rotating electronics by means of induction at 160 kHz. Digital or analogue displays can be provided, and the company can supply systems to extract other kinds of signals such as temperature, vibration, acceleration. The rotating components can withstand hostile environments.

Included in the range are a one tonne tipper truck, two tonne diesel, petrol and gas trucks with extended chassis, and 2.5 tonne capacity petrol and gas powered trucks. Except for the five tonne truck, all the vehicles have three wheels, with front single wheel drive.

An automatic clutch is fitted on the vehicles with internal combustion engines, to simplify driving, and on several models the lower chain drive has been replaced with an enclosed gearbox.

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An automatic

PRACTISE WHAT YOU PREACH.

You are, no doubt, asking your company staff to cut out waste. And, at the same time, asking yourself how you can contribute.

In which case, may we suggest you look at your company car? If it's at all typical, it probably gives you little more than 15 miles to a gallon. And you might decide that you'd set a better example if you arrived at work in an Audi 100.

According to Autocar, its overall mpg is 40% better than that of a Jaguar XJ34. It has the added advantage of needing a major service only once every 10,000 miles.

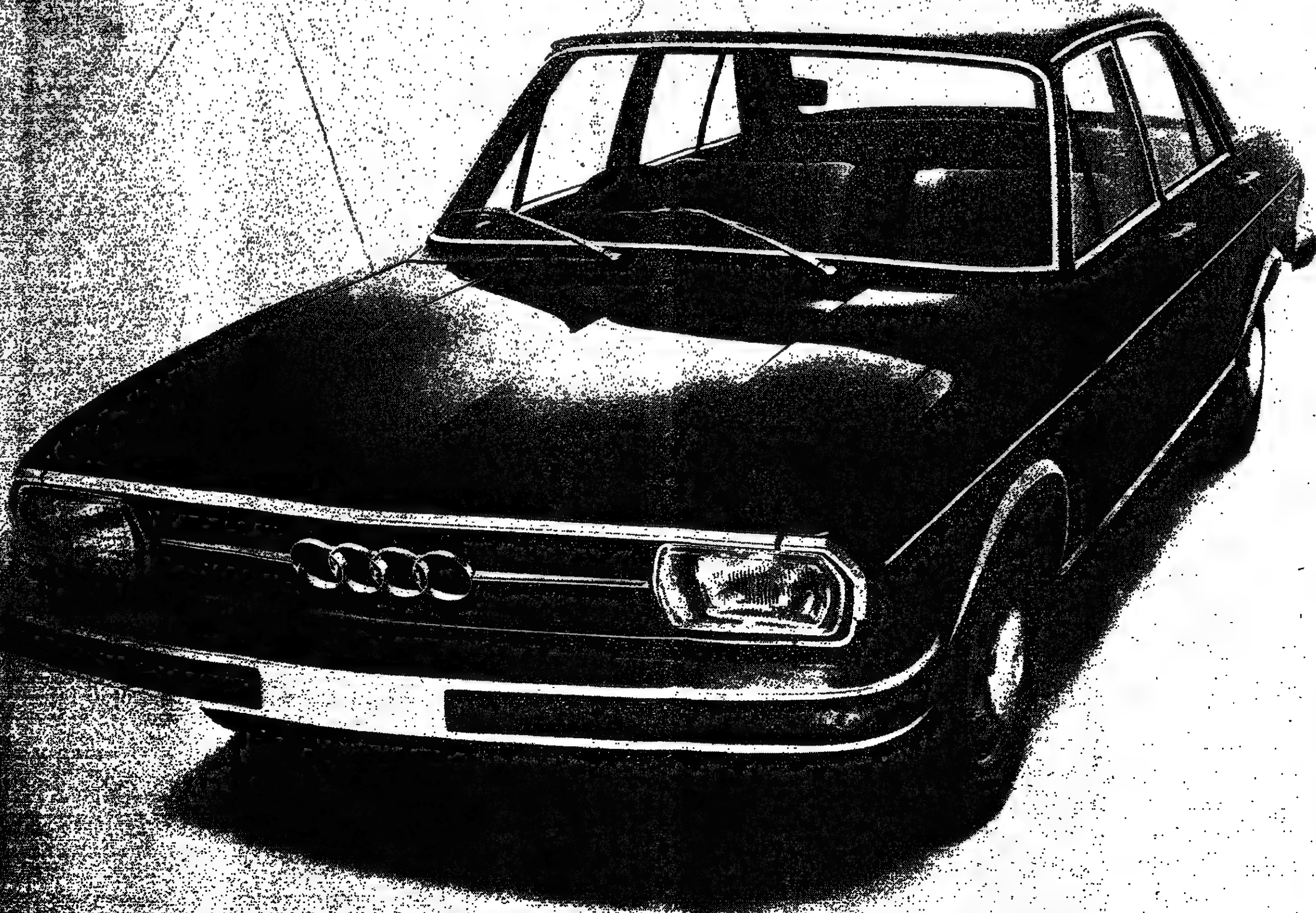
But for all this, our car offers you a measure of performance and spaciousness that is at least as generous as that offered by its more thirsty competitors.

It also offers you such a degree of comfort that one admiring gentleman chose to drive an Audi 100GL non-stop, 22 hours a day, for 2 weeks, which we believe to be a world record.

Last, but by no means least, the Audi offers you a steering and braking system that can keep you on course if a front wheel skids or punctures. And, though other executive saloons may preach about safety, that's one particular feat they can't actually practise.

In short, the Audi 100 doesn't involve you in the sacrifices you might expect.

And the advantages? Well, how many companies who persist in following the extravagant policies of the past can hope to stay in business? As you're always, no doubt, telling your staff.



Audi 

AUDI 100'S ILLUSTRATED £3,298. PRICE INCLUDES VAT AND CAR TAX AND IS CORRECT AT TIME OF GOING TO PRESS. FOR AN INFORMATION PACK ON THE AUDI 100 WRITE TO AUDI CUSTOMER ENQUIRIES, PEMBROKE HOUSE, CAMPSBOURNE ROAD, LONDON N8 7PT. PERSONAL EXPORT SALES: 95 BAKER STREET, LONDON W1. TEL: 01-486 8411.

APPOINTMENTS

Data Processing Manager

Banking - Arabian Gulf

One of the largest banking institutions in the Arabian Gulf is now making preparations for the selection and installation of its second generation of computers for the processing of management information, consumer services, etc. relating to head office and branches. The D.P. Manager will be responsible for analysing and making recommendations concerning the selection of new main frame computers and software based upon feasibility studies, the supervision of installation, the implementation of systems and the further training and development of staff.

Candidates, ideally aged 35 to 45, must have gained relevant computer systems management experience in a bank or other financial institution.

Salary is negotiable about £12,000 tax free plus bonus, free accommodation and a full range of fringe benefits. The three-year contract is renewable.

Please write - in confidence - to J. M. Ward ref. B.41279.

MSL World wide

Management Selection Limited
17 Stratton Street London W1X 8DB

Foreign Exchange

International Banking - Bahrain

Foreign Exchange Managers now earning around £20,000 p.a. with broad experience in dealing and in the control of operations including Buro \$ transactions, should find this new appointment of interest. The task is to head the Bahrain branch of a firmly established London based international bank. He will be responsible for the establishment and profitable development of the branch and will operate with the widest possible autonomy. Frequent visits to London will be necessary.

Candidates should be aged between 30 and 45 and their relevant experience will have been gained in London.

An attractive package of emoluments will be negotiated on a tax free and living expenses free basis: fringe benefits will include school fees, etc.

Please write - in confidence - to J. M. Ward ref. B.41280.

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SOLICITORS

Macfarlanes require an assistant Solicitor in each of the following departments:

**Litigation
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Applications from recently qualified staff are invited, and some preference will be given to those with experience in one of the above fields.

The positions offer responsibility, attractive salaries and good working conditions in modern offices.

Write, with full curriculum vitae, to J. F. Rhodes, Macfarlanes, Dowgate Hill House, London EC4R 2SY, 01-236 7411.

Financial Director

QUOTED CONSTRUCTION GROUP

London £35,000 + car

A Chartered Accountant aged under 35 with sound management accounting experience in the construction or heavy engineering industries is required for this appointment. The Group is profitable and expanding from a current £20m. turnover base.

A degree and Boardroom experience would be of additional interest.

The position offers total involvement in policy formulation and financial management.

Please write now quoting reference PJB to the Managing Director, Personnel Management Search, 64-66 Baker Street, London W1M 1DL.

Tel. No. 01-833 8888.

LEGAL NOTICES

No. 00928 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court, in the Matter of LARSEN PRIME LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 12th day of March 1976, presented to the said Court by CARTWRIGHT BRUCE AND GUNPARK LIMITED, whose registered office is situated at Ossory Road, London, S.E.1, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London W.C.2, on the 3rd day of April 1976, at 10 o'clock in the forenoon.

The said Petition may appear at the time of hearing, in person or by his counsel, for that purpose, and a copy of the Petition will be furnished to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

BRIDGES SAWTELL & ADAMS, 3 Warwick Court, Gray's Inn, London WC1R 3AL, Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or firm, or his or their solicitor (if any) and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named notice not later than four o'clock in the afternoon of the 2nd day of April 1976.

No. 00929 of 1976

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No. 00930 of 1976

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No. 00931 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court, in the Matter of LARSEN PRIME LIMITED and in the Matter of The Companies Act, 1948.

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No. 00932 of 1976

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No. 00933 of 1976

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BRIDGES SAWTELL & ADAMS, 3 Warwick Court, Gray's Inn, London WC1R 3AL, Solicitors for the Petitioner.

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No. 00934 of 1976

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BRIDGES SAWTELL & ADAMS, 3 Warwick Court, Gray's Inn, London WC1R 3AL, Solicitors for the Petitioner.

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No. 00935 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court, in the Matter of LARSEN PRIME LIMITED and in the Matter of The Companies Act, 1948.

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BRIDGES SAWTELL & ADAMS, 3 Warwick Court, Gray's Inn, London WC1R 3AL, Solicitors for the Petitioner.

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No. 00936 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court, in the Matter of LARSEN PRIME LIMITED and in the Matter of The Companies Act, 1948.

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APPOINTMENTS

Shell U.K. Oil director of manufacturing

Mr. S. J. Gallacher is to become manufacturing director of SHELL U.K. OIL from June 1. He will succeed Mr. J. Connors who is returning to Shell France in Paris where he will be appointed vice-president human relations later this year. Mr. Gallacher, who is at present general manager of Shell's Stanlow refinery in Cheshire, will retain that office.

Mr. H. R. Angles has been appointed director of BRADSTOCK BLUNT AND CRAWLEY.

Mr. Wally Pys has been appointed managing director of EAST LANCASHIRE EXPORT, a subsidiary of the East Lancashire Flax Co. He succeeds Mr. Bernard Sullivan, who has taken up his own business interests.

Mr. P. J. Farrell, management accountant of TAC Construction Materials, is to become finance director of NEWALLS INSULATION on April 1. The parent concern is Turner and Newall.

Mr. P. Wyatt is no longer a director of BENFIELD AND LOXLEY and his service contract has been terminated.

Dr. Edward J. Melver has been appointed deputy managing director of KOSSET CARPETS and is to become managing director on July 1. His appointment follows the recent announcement that Mr. Arthur Whitehead, the present managing director of Kossset Carpets, is to become chief executive of the Carpet International Group on July 1.

Mr. John Coote, formerly deputy chairman and group managing director of Beaverbrook News-

papers, has joined the Board of TALKING PICTURES (HOLDINGS).

Mr. W. S. Riek has been appointed a non-executive director of MARTIN-BLACK.

Mr. Michael J. Turner has been appointed shipbuilding director of GOVAN SHIPBUILDERS. At present production administrator of Swan Hunter Shipbuilders, he takes up his new post on May 2.

Mr. Peter R. Magley, executive director of the planning division of Westminster Press, has been appointed managing director of



Mr. S. J. Gallacher

KING AND HUTCHINGS (a Westminster Press division). He will succeed Mr. Frank Barrow, who is moving to London as director and general manager of the parent company. Mr. Edley takes up his new post from May 17.

ALTON GLASSHOUSES has made the following appointments to its Board: Mr. Keith Quinn (sales), Mr. Bob Browning (financial) and Mr. Ted Robinson (works and distribution).

Mr. William W. Y. Lee has left London to take up his appointment as the general manager of WORLD-WIDE (SHIPPING), Hong Kong, from April 1. He is succeeding Mr. P. C. Lee who becomes a vice-chairman of the company from the same date.

Mr. Alan T. Morton has been appointed executive chairman of Clachan Excavations and Construction and Alex Morton (Mech. Equip.) subsidiaries of GRAMPAN HOLDINGS.

Mr. Bryan J. Ellis has been appointed chief executive of RESTAIR, a member of the Angel Toy Group. Mr. Ellis joined Restair four years ago as a director of Johnsons of Hendon.

Mr. Morrison T. R. Hall and Mr. John W. Preston are to retire from the Board of ILLINGWORTH MORRIS AND CO. on March 31.

Lord Gregson has been appointed to the Board of FAIRY COMPANY. Lord Gregson is the managing director of Fairy Engineering and a director of Fairy Nuclear. He joined the group 37 years ago.

Glasgow survey shows small sales improvement

BY OUR GLASGOW CORRESPONDENT

AN INDUSTRIAL economic survey of member companies followed by Glasgow Chamber of Commerce showed that 31 per cent. reported lower house sales, similar to the number given in the previous quarterly survey, but 21 per cent. reported an improvement, against 18 per cent. previously.

Fewer staff were employed by 28 per cent. compared with 35 per cent. while 10 per cent. had increased their labour force, compared with only 6 per cent. The report indicates a slight worsening in current production levels, nor have exports come to the rescue to any great extent.

"Greater control of inflation

with steady economic growth remains the first choice for most companies followed by continued control of wages and salary levels," it says. "A factor that firms would like to see a greater financial incentive to invest and lower corporation tax."

The Board of the Weir group of engineering companies, with headquarters at Cathcart, Glasgow, yesterday reported a profit of just over £1m. for the 53 weeks ending January 2. However, it represented only a modest margin on sales of £108m, the company said. "The year started with an order book of £130m, but it was uncertain when a real return would come."

Simca pick-up to be imported by Chrysler

By Terry Dodsworth

Motor Industry Correspondent

CHRYSLER U.K. is to begin importing another vehicle made at the company's factory in France as an antidote to the range of light French cars it already sells in the U.K. The new vehicle is a 4-ton pick-up truck, which is being launched at a time when the pick-up market is apparently on the increase. It is based on the Simca 1100 High-Ton van and is powered by a 1,600 cc. four-cylinder engine. Basic price will be £1,450, including VAT. Simca vans were the top-selling imported light commercial vehicles last year, taking 24 per cent. of the market.

COMPANY NOTICES

MEMBERS CONSOLIDATED MINES LIMITED

NOTICE IS HEREBY GIVEN that the 19th Annual General Meeting of the Company will be held at the Company's office at 75 Fawcett Street, Johannesburg, on Wednesday, 27th May 1976, at 2 o'clock in the afternoon.

The business to be transacted at the meeting is as follows:—

1. To receive and adopt the annual financial statements of the Company and the auditors' report thereon.

2. To elect or re-elect members of the Board of Directors.

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Don't let £500 vanish into thin air.

Air starts off free – but compressing it costs money. Even running something as small as one 100 cfm compressor can cost you £2,700 a year.

And you can add a bit more if it's leaking out anywhere along the system. A constant leak at 100 psi through just one $\frac{1}{8}$ " hole adds another £500 a year.



Well at prices like that it doesn't do to waste it. But it's probably being wasted before your very eyes because of ingrained habits, which, because familiar, escape notice. Habits like cleaning down benches, floors, clothes, lockers. Compressed air is an expensive substitute for a brush.

And it might be wasting itself through leaking pipes and joints, faulty controls and tool connections. Furthermore you could be using a lot of power compressing air to high pressure when low pressure would do just as well. Or maybe your compressors are running through long hours when nobody's using compressed air.

It needs a bit of thinking about, but we can help. Start off by giving this check list to whoever's responsible for energy in your company, best of all your Energy Manager. And start reducing the cost of your factory services right away.

COMPRESSED AIR CHECK LIST

Involve your workforce by getting them to report any leaks or faults in the system. How often does your maintenance department test for leaks?

Discourage the use of compressed air for any purpose other than its proper function.

Can low pressure replace high pressure for some of your operations? Generating 1,000 cfm at 100 psi costs £3.10 an hour. The same output at 50 psi costs only £2.20 – a saving of 30%. And if you can use pressure at 5 psi (often practicable for drying or cleaning) you reduce the cost to 40p an hour.

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Check the location of the air inlet and make sure you use clean, cold air.



Department of Energy.

FINANCIAL TIMES REPORT

Wednesday March 24 1976

Cleveland

The new county of Cleveland is basically the old Teesside with a new look. Fresh impetus from North Sea oil and its associated industries have brought renewed strength to this area of the North-East, where the decline of traditional industry has been marked.

Towards better times

This Report was written by ALAN FORREST

OF ALL Britain's new counties Cleveland makes more sense than most, geographically and environmentally. Although in the past, north of the river was Durham and south Yorkshire, the Tees with its ships and steel and chemicals bound them together. The rest of Durham, which lived on coal, was another world. The new county arrived with a few worries. Would formerly independent and economically-deprived Hartlepool be swallowed up in a super-authority? Would Middlesbrough men still qualify to play cricket for Yorkshire? But these are of the past.

Perhaps one of the main things that bound Clevelanders (or Teessiders as they used to be) together in the past was hard times. This has left them job-hungry, in spite of an unemployment rate growing at a

slower rate than the national average, and with a huge appetite for development which will involve a lot of investment in the next few years, much of it public.

March, 1976, is not the best time to talk to the chief executive of a county council about public expenditure. But Mr. J. B. Woodham, Cleveland's county boss, was willing. Unlike most chief executives of new counties, who are ex-town clerks, Mr. Woodham is an ex-city treasurer, and has spent a lifetime managing local government purse-strings. Publicly at least, he takes a philosophical view of spending cuts at local authority level.

"After all," he said, "a lot of local government spending over the last 35 years has been incremental—it just grew natur-

ally every year. The present situation gives us a chance to re-examine our priorities and in the end, I don't think it will be a bad thing for local authorities." He believes his authority, with its regular strategy meetings between committee chairmen and chief officers to complement committees and council meetings will give the authority the cohesion it needs during a sticky period. In the three towns, Middlesbrough, Stockton and Hartle-

pool, people seem sold on a rosy future. They have tasted North Sea oil and like it. They are at the end of the Eskosk pipeline and see black gold as a permanent local currency. Even the problems of Laing Offshore, whose last jacket on order stands on the riverside, will have a happy ending, they think. This is not just blind faith in Tony Benn, but a refusal to believe that prosperity can't promise and not perform in an area which has

had such a share of the rough in the past.

Cleveland planners believe the jobs will come to the county, but they realise that they have to sell the area to managers. Middlesbrough on a grey day with the Tees like a strip of workhouse gruel is not everybody's idea of gracious living. But the area has hidden beauties. Mr. Woodham reflects wistfully that the original plans for the county took in that pearl of small-seaside towns, Whitby, and the Esk Valley. They went to north Yorkshire.

There is Yarm-on-Tees, an elegant strip of old England, just a few minutes from Stockton's busy main street. Not far away a new development is taking on all the proportions of a new town. "A new social pattern for this area," one of the county's planners said. "The housing development will have workers and managers living side by side—a kind of 1970s version of the medieval village."

A senior member of one com-

pany said: "When I first came up here I thought we'd never stick it. My wife couldn't understand the language well enough to do the shopping. But when we finally bought a house—at about half the price we'd pay in London—it was great. Now if I'm feeling particularly fit I can walk out of my back door, play a few holes of golf and still get to the office on time."

Cleveland certainly needs its greenery. If you travel north of the Tees to Hartlepool, you see the hard-hit north. Church Street, with its boarded-up shops, spartan pubs and cafes, looks like a museum of the depression days. But that first look is not the whole story.

In Mr. Eddie Morley, Hartlepool has an industrial planning officer with a great pride in the town. A local man, he tells you: "It isn't fair to think of Hartlepool as a dole-queue town as some people do. We have been unlucky. Twice in recent years we've lost a few thousand jobs at a stroke through closures. It's very hard for a small town to rise above that."

But Hartlepool is rising, and so are beer and song nights at above it. Away from Church Street, the new £5.5m. shopping centre is lively and busy. The town's status as a special development area is bringing in a special kind of life. For instance, Smart and Brown is expanding in the area and has plans to make the town a major centre of refrigerator production. Developments such as Crispy Crisps factory and Chesswood Mushrooms have provided jobs for women whose few have existed before.

And Hartlepool still has its own seaside resort, Seaton Carew may not be Brighton or Blackpool, but it is a pleasant spot for day-trippers on a summer day, even within sight of spreading industry.

Tunnel

Communications to Cleveland are fast. Later-City-trains to London take only four hours. The regular air services from Teesside Airport to Aberdeen is a boon to the oilmen. Access by road from the south could be better, but this is something which will be tackled when times are better. There are plans for a Tees tunnel and the local bus services around the county are as good as anywhere in the country.

The attention Teesside pays to the arts will surprise anyone who thinks of the grey North-East as a desert of football, about nationalism.

Clevelanders, as they tend to be called, are not contented. The area, seen contented, executive Mr. Woodham told the county's plans for its university—a site has been chosen in Middlesbrough, with the Government putting most of the available funds into existing universities in the immediate future. It is likely to be a delay.

This does not worry county planners too much. An industrial pattern driving more every year, the not mind waiting until the production of a university, as the skills and technical of the area.

In the meantime, a Scot businessman, exiled in Tees, gave a verdict on the place: "I got everything going for me. There are sticky days, but the future is fine. I can say 'I'm in the country' and on the scale of this we wouldn't be hearing so much about nationalism."

Drive to create jobs

SOME TIME in the 1920s a radical Tory arrived on Teesside to be candidate for Stockton. He later became its MP and his name was Harold Macmillan. He has recorded how he was appalled by the place, its lack of jobs and hope.

The new county of Cleveland is not like that today and planners are determined that it will not be like that again. But it has a record of high unemployment going back to those days and the image of the place has suffered as a result. To-day the unemployment figures are above the national average—8.7 per cent as against 5.5 per cent. But they are below the figures for the whole northern region and the rate of growth is below the national average.

In a report issued in October last year, the county council admitted: "The growth in new jobs has not matched the needs of people seeking employment. The number of jobs created, though substantial (almost certainly exceeding 15,000 in the period 1968 to 1974) has been inadequate. In addition the skills required by the new jobs have often not matched the skills available among the unemployed."

Search The causes of Cleveland unemployment are those usually associated with an old manufacturing area whose heavy industries have been rationalised. But the search for new industries is well and truly on—and is meeting with some spectacular successes. The whole county is a development area (with Hartlepool a special development area) and incentive to companies to move in are excellent.

The county's strong argument to the Hardiman Committee on the relocation of civil service jobs has paid off. With only 48 per cent of the population working in the service sector, Cleveland was well below the national average. The decision to site the Government's Property Services Agency in Cleveland has captured local planners' imagination, particularly the promise that the majority of the 3,500 jobs to be provided will be recruited locally.

A lot of the jobs available will be for architects, architectural assistants and allied skills. The plan is seen to promise more than just a new white-collar middle-class that will change social patterns, but an opportunity for young people to train for skills which traditionally have existed only outside the area.

Cleveland hopes this is only a beginning. Apart from wanting to raise the quality of employment in the county, they recognise the lack of work for

women in comparison with where some Labour majorities are almost as high as the Cleveland Hills. "I can't remember the last major industrial dispute in this county," one local businessman said. And Mrs. Maureen Taylor, chairman of the county planning committee, who is proud of the area as a cradle of trade unionism, adds that Clevelanders are "sensible trade unionists." Critics who suggest the lack of industrial militancy may be an offshoot of high unemployment are quickly silenced.

Another field in which Cleveland hopes to grab some plums is instrumentation and electronics. The coming of the North Sea oil industry has given a boost to the already large chemicals sector in the county. But with petrochemicals so highly automated, local officials recognise the opportunity for job-creation is limited.

Chief executive Mr. J. B. Woodham said: "We must be one of the biggest consumers of electronic equipment in the country nowadays. The spin-off is enormous, but at the moment we don't see much of it in Cleveland. We hope to remedy this." Local officials point out that with more than £2,000m. of investment planned in oil equipment, chemicals and steel for Cleveland by the 1980s, millions will be spent on instrumentation and control equipment and a lot of it ought to be spent in this country.

Servodyne Controls, a specialist company of industrial control equipment manufacturers, set up in Teesside five years ago. Jointly owned by BP and Hawthorn Leslie, it services the chemical industry's effluent control and water treatment. Managing director Dr. H. Drenth-Susman says: "Cleveland has 'provided an excellent environment for a growing company and good labour relations.' Labour relations in Teesside

are surprisingly good for an area where some Labour majorities are almost as high as the Cleveland Hills. "I can't remember the last major industrial dispute in this county," one local businessman said. And Mrs. Maureen Taylor, chairman of the county planning committee, who is proud of the area as a cradle of trade unionism, adds that Clevelanders are "sensible trade unionists." Critics who suggest the lack of industrial militancy may be an offshoot of high unemployment are quickly silenced.

Community

One thing everybody concerned in job-creating agrees about is that there must be more commuting. Teessiders want to work near home. A girl on the council staff admitted that, because she drives from Sunderland to Middlesbrough each day (30 miles) her friends seriously doubt her unions to discuss the type of work she talks to some Hartlepool steelworkers about the prospect of travelling a few companies.

miles across the Tees to R where British Steel's new plant is operating, their enthusiasm is chilling.

The example of one or two new companies in the area, being closely watched—Maureen Taylor, chairman of the county planning committee, who is proud of the area as a cradle of trade unionism, adds that Clevelanders are "sensible trade unionists." Critics who suggest the lack of industrial militancy may be an offshoot of high unemployment are quickly silenced.

British Steel, not at the top of the local population, because of its plan to close down steel production in Teesside, is helping to create alternative jobs. The plan is reclaiming a girl on the council staff admitted that, because she drives from Sunderland to Middlesbrough each day (30 miles) her friends seriously doubt her unions to discuss the type of work she talks to some Hartlepool steelworkers about the prospect of travelling a few companies.

CONTINUED ON NEXT PAGE

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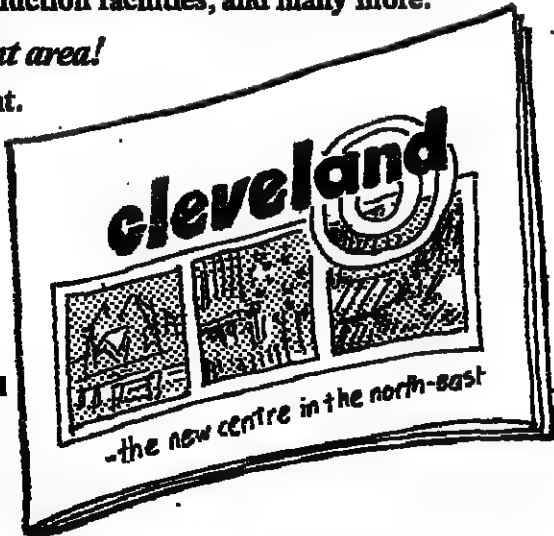
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Just in time

Oil boost for the port

Steel and chemicals as the industrial core

The County Council and its predecessors have gone a long way in giving the area a face-lift. Apart from Zealand Street

It is hard for an area like Cleveland to decide on priorities—there is a need to improve the environment and a need to diversify an economy so that job opportunities are reasonably constant in spite of the way the economic wind blows. Cleveland thinks its long-term prospects are bright, but there may be hard times to go through again. Its policymakers are convinced they have the right ideas for coping with the months before a real economic recovery.

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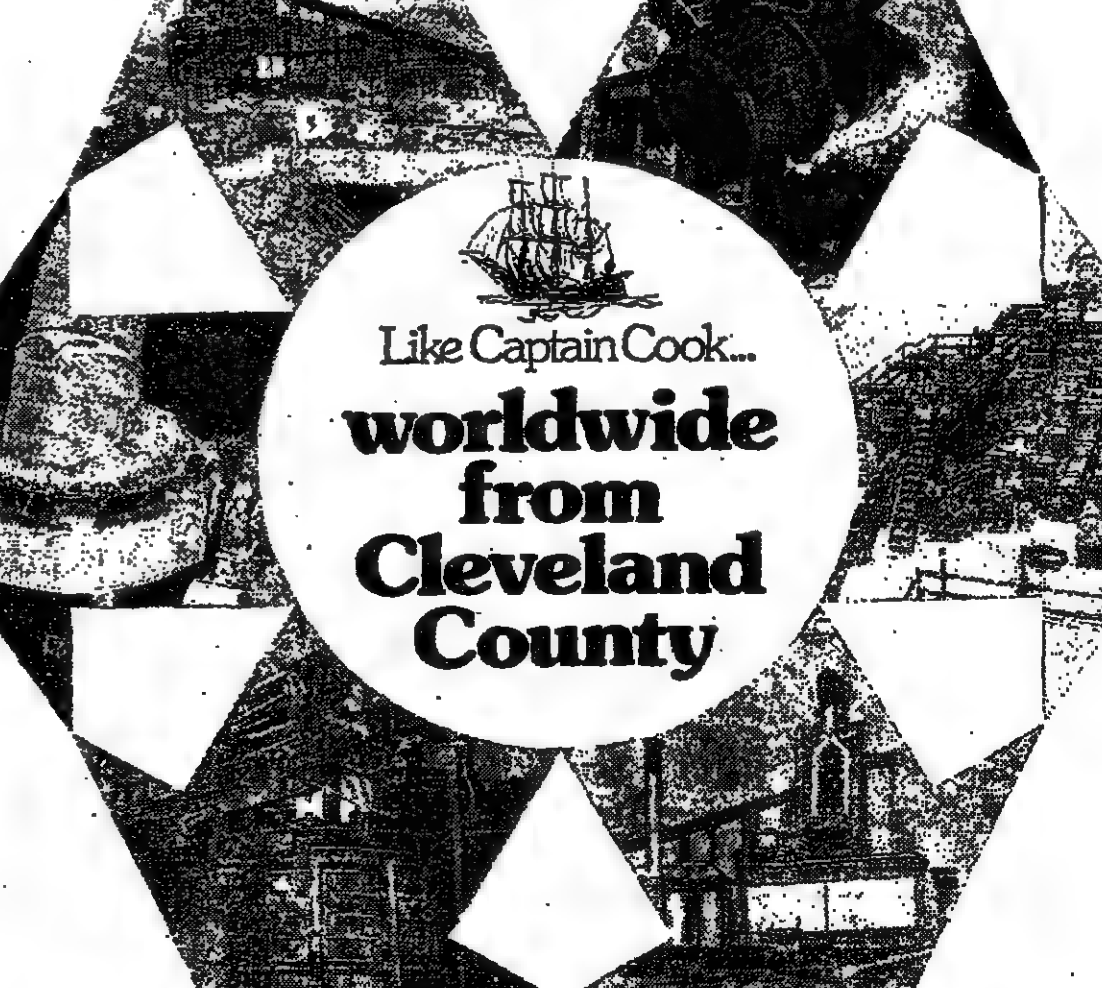
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MP wants tighter law on obscenity

A BILL to tighten up laws on pornography was given an unopposed first reading in the Commons yesterday. Its sponsor, Mr. Tim Renton (C, Mid-Sussex) said that the measure would strengthen the Obscene Publications Acts of 1959 and 1964.

"It is only necessary to go into any bookshop on any railway station to see books and magazines on sale that most of us, with any common sense, would call obscene," he declared.

The measure had two main aims—to make it harder for the producers of pornographic material to find sellers, and harder for impressionable people to learn about obscene publications through the Press and media.

Mr. Renton said his amendments to the Acts would give extra protection to the young and other vulnerable people. "The argument for making pornography harder to obtain is based, in part, on the premise that it is the duty of the mature mind to help the immature mind to distinguish between what is normal and what is excessive."

Legal definitions of what was obscene were inadequate. Only by removing the precise definition of the word obscene, can we make it possible for juries to reach a decision according to their instinctive judgment."

Tighter restrictions, he said, were needed on Press reporting of obscene publications court cases. "I see no advantage to our society from extensive Press reporting of proceedings under this Act."

"I propose that the same restrictions on reporting of the judicial proceedings should apply to the obscene publications cases as apply to divorce cases."

The amendments would also make it harder for the defence in such cases to bring in "expert" witnesses to give evidence that publication was in the public good. The present procedure only "befuddled" juries.

Stable book prices urged

THE Publishers Association has agreed to recommend to its members that they should hold the price of all books, including school text books which were in stock at the beginning of the price check scheme, until its end.

This was disclosed in the Commons yesterday by Mr. Robert Maclean, Under-Secretary for Prices and Consumer Protection.

Hopes of new companies Bill in 1976-77

BY JOHN HUNT

THE GOVERNMENT hopes to bring forward new companies legislation in the 1976-77 session of Parliament which will commence in the autumn, Lord Winterbottom said yesterday.

A Government spokesman on trade, indicated in the Lords yesterday.

Speaking in the debate on the second reading of the Companies (No. 2) Bill, he was replying to Opposition questions about the timetable for the broader legislation which the Government has been considering for some time.

This would be based on the wide ranging view of company law which is still being carried out by the Department of Trade. It involves arrangements for the supervision of the securities market including ways of dealing with abuses such as insider trading and warehousing.

Lord Winterbottom emphasised that any legislation would depend to a large extent on the outcome of the review of industrial democracy which is currently being studied by a committee of inquiry under Lord Bullock.

The Bullock inquiry would, he said, bring into question such basic principles as the responsibilities and duties of companies and their directors and the structure of company Boards. He had no doubt that the committee's recommendations would lead to a major change in company law and also to a radical change in the way industry is managed.

The committee had been asked to report by the end of the year and the Government intended to legislate as soon as possible thereafter, explained Lord Winterbottom.

Pressed for more specific information, he said: "Much will depend on the outcome of the Bullock Committee report. But we would wish to legislate in 1976-77."

Accounts

There would need to be the widest possible debate on the Bullock recommendations. The question of whether a White or Green Paper would be issued on the proposals for legislation would be considered at the appropriate time.

The peers gave an unopposed second reading to the Companies (No. 2) Bill which has been introduced in the Lords. It amends the law on the filing of company accounts and the keeping of accounting records and increases penalties for failure to comply. It also provides for the disqualification of directors who have been persistently in default in delivering details of annual accounts to the Registrar of Companies.

In addition, there are new provisions for the qualifications, appointment, resignation and the power of auditors. There are

also tighter controls on the names of overseas companies which operate in the U.K.

Lord Winterbottom said that the failure of a large number of companies to file annual returns was a serious problem—"indeed a scandal"—and had caused grave concern to successive Governments. Of 643,000 companies on the register, 186,000 were known to be in default in filing.

Last year, summonses were served on 2,440 directors of 893 companies in default and already this year 700 summonses had been served. In addition, 28,000 companies were struck off in 1975, and over 5,000 had suffered the same fate so far this year because they failed to respond to reminders.

But this, he emphasised, was only the tip of the iceberg. Reminders were currently running at 10,000 a week and the cost of this operation had risen to 2500,000 a year.

Auditor

In some cases, the latest accounts on file at Companies House were three and a half years old. But under the present Bill, private companies would have to file their accounts within ten months of the end of the financial year, and public companies within seven months.

To administer this, the Registrar would need 70 extra staff mainly engaged in pursuing and prosecuting defaulters. After staff savings, there would be a net staff increase of 60 at a cost of £150,000 a year.

Dealing with the other provisions, Lord Winterbottom said that the Bill empowered an auditor to make a statement setting out any circumstances connected with his resignation which he thought should be brought to the attention of shareholders.

"These provisions will give a strong auditor a very powerful and effective threat in the event of a dispute with the directors," he commented. "It will force even a weak auditor to face up to his responsibilities as he will no longer be able to evade a difficult situation by quietly resigning and saying nothing."

The Government was keeping in touch with the various accounting bodies on the question of the collapse of Latham and County Securities and was examining the recommendations of the inspectors into that affair. Further legislation was necessary on this score, amendments could be made to the present Bill at a later stage.

Opposition peers broadly supported the Bill although some felt it should have covered a wider field. They also urged the Government to take steps as soon as possible to consolidate the whole range of company law.

Press freedom sinking with your ship, PM told

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

MR. HAROLD WILSON, in one of his few remaining curtain-calls in the Commons as Prime Minister, yesterday took his stand firmly as a champion of the freedom of the Press.

The Tories, permitting themselves some incredulous interventions, called on him to explain how Press freedom had been championed in the affair of the Barnsley Journalists and the actions they had taken over their objections to colleagues who were not members of the National Union of Journalists.

If Press freedom were to be preserved in Britain, information should be given to all journalists—whether or not they were members of a TUC-affiliated union, declared Mr. William Whitelaw from the Opposition front bench.

Mr. Wilson agreed with Mr. Whitelaw's view and pointed out that he had implied as much in exchanges about the Barnsley issue last week.

With some caustic interruptions from the Tories, the Prime Minister went on to include Mr. Michael Foot, Employment Secretary, among the champions of Press freedom.

As evidence of this he cited Mr. Foot's action in calling on the NUJ executive to think again about supporting the Barnsley NUJ members.

Mr. Wilson added that he understood the union's general purposes committee had put a recommendation to that effect to the executive.

But where were the cast-iron safeguards the Prime Minister had obtained for Press freedom? demanded Mr. Peter Rost, who had raised the issue from the Tory backbenches.

In the ensuing clash it looked as if Press freedom, like beauty, was in the eye of the beholder.

Mr. Rost accused the Prime Minister of being about to abandon his sinking ship and "paddle away leaving freedom and democracy to sink."

The Speaker had to call for order and from the Labour back benches came an indignant defence of the NUJ by Mr. Max Madden (Sowerby), who contended that concentration of ownership into fewer and fewer hands raised the greatest danger to freedom of the Press.

New towns transfer will end feeling of division—Silkin

THE GOVERNMENT was aiming to eliminate the "divided town" feeling of people living in the new towns of England and Wales, Mr. John Silkin, Minister for Planning and Local Government, told the Commons yesterday.

He was moving second reading of the New Towns (Amendment) Bill, which provides for the transfer of housing and related assets like recreation areas and neighbourhood shops, to the local authority for the area.

Mr. Silkin said: "It is the first important step in removing from the minds of people living in the new towns the feeling of division." However good the relationship between the New Town Corporation and the local council, division still existed.

Mr. Silkin said unified housing management would make it easier for tenants to move within the town while at the same time cutting management costs.

Once a New Town Corporation had done its job the people of the new town should have the same democratic control of their local environment as people living in Britain's other towns and cities.

The transfer of housing and related assets to local authorities would free the New Towns Commission to concentrate its management and financial expertise on a specialised basis.

Mr. Silkin pledged that if the transfer resulted in an undue burden on tenants or local ratepayers the Bill proposed that the Environment Secretary would have discretion to give relief through a grant.

He stressed that the Government was determined to secure the interests of the staffs of the New Town Corporations. Pending

approval of the Bill, the Government proposed to set up an advisory committee. Its chair, man and the chairman designate of the New Towns Staff Commission would be Sir Richard Hayward, ex-chairman of the National Health Service Staff Commission.

Mr. Silkin said he also proposed to appoint two other members, Baroness Fisher, a member of Warrington Development Corporation, and Mr. Philip Vine, a member of the Telford Development Corporation.

He criticised an amendment tabled by the Opposition, which complained that the Bill failed to provide any right for new town tenants to buy their homes.

"But the Bill does provide this," he argued. "The Secretary of State, on occasion, allow dwellings to be sold to the sitting tenants. The Opposition needs a refresher course in elementary English."

The Bill recognised and fulfilled the basic ideals behind the New Towns Act of 1946. "That Act created the new towns. This Bill begins the process of giving them to the people who live in them."

Moving the Opposition amendment, Mr. Timothy Raison, shadow Environment Secretary, said that although the balance between private and public housing had been the theoretical objective in new towns, it was, at present, heavily tipped in the direction of the public sector.

"I do not believe in an overwhelming domination in any one area of one particular form of housing. It is a serious weakness when local authority housing swamps the rest. That is one of the risks we have in this Bill—the risk of paternalism and lack of choice."

Mr. Raison said that on balance the new towns represented a considerable achievement. "By and large, they are becoming

attractive places in which to live. They have fulfilled many of the purposes they set out to achieve, and they have housed a substantial number of people efficiently and quickly."

But there were doubts about some aspects of the new towns programme and whether it was robbing London, Liverpool and Manchester of skilled population and economic vitality.

Mr. Raison said that in spite of some reservations, the Opposition supported the principles behind the Bill. But there had to be a maximum stimulus for home ownership and new town tenants should have the right to buy their houses.

He criticised the Government for stopping the right of sitting tenants to buy council houses in a Government circular issued in September, 1974.

In Harlow new town, only 20 per cent owned their own homes; in Hemel Hempstead only one-seventh of the stock built by the Development Corporations was owned, and in Peterlee only 403 properties, as against 6,800 in the public sector, were owned. "This cannot be right," he claimed.

Turning to the position of the staff of the New Town Development Corporations, Mr. Raison understood the need to look after their interests and a New Town Staff Commission could be an effective way. But if this came with duplication, widespread grading and so on "it will not be acceptable."

He urged the staff would not be the only consideration. There should be efficient, economic management.

Mr. Raison said it was slightly "Parkinsonian" that at the moment it was planned to hand over a chunk of responsibility to local authorities the size of the development corporations should have to be increased.

"It is rather like Parkinson's statement that every time you lose a ship you gain an admiral."

Ryder 'reticence' queried

IT WAS extraordinary that, from beginning to end, Lord Ryder, chairman of the National Enterprise Board, had not uttered a single word about the whole Bewbush land affair in Sussex, Mr. Peter Horsman (C, Hove) said in the Commons yesterday.

"I trust he will not be so reticent in his new role," he added during the debate on the new towns.

Mr. Horsman said that the Bewbush affair was "in every sense of the word a very sharp deal."

Mr. Horsman said he did not dispute that the price paid for this land by Crawley Council to the Reed pension fund and others was right at the time. It was clearly, in retrospect, the wrong time to have bought it.

It was pity, Mr. Horsman declared, that the council did not buy at the time the Reed pension fund had bought it. This was not a very happy augury for the Community Land Bill.

"Land speculation is not an activity that one normally associates with a pension fund and the trustees of the fund should have something to say about it," he added.

Concessions to Anglia waterway users

CONCESSIONS offered by the Anglian Water Authority to meet objections by waterway users to a private Bill controlling the use of rivers and waterways for recreation were announced in the Lords yesterday.

During second reading debate of the Anglian Water Authority Bill, Lord De Ramsey (C, Louth) said that the Bill's object was to enable the Authority to carry out its responsibilities for recreation under the 1973 Water Act by providing and improving facilities, by "holding the ring" where there was a clash of interest and by bringing administrative order out of chaos.

The Bill gave the Authority power to develop a number of rivers and waterways for recreational purposes, and to take over navigation rights and control of certain rivers and waterways which had become increasingly popular for boating and angling.

Lord De Ramsey said the Bill's object was to enable the Authority to carry out its responsibilities for recreation under the 1973 Water Act by providing and improving facilities, by "holding the ring" where there was a clash of interest and by bringing administrative order out of chaos.

"Parliament placed a responsibility on the Authority without giving it the tools for the job."

Too few social security prosecutions—Tory

OPPOSITION MPs yesterday complained of the low number of prosecutions against people who fraudulently obtained social security benefits.

Mr. Brian O'Malley, Minister of State, Social Services, told MPs that the total number of prosecutions for all benefit offences in 1975, including cases dealt with by the police, was 15,350.

Mr. O'Malley replied that Mr. Brotherton was not taking into account cases where very small sums were involved, or where one was dealing with an estate after a person had died.

Mr. Bruce George (Lab, Walsall S) said that the vast majority of Labour MPs condemned those who scrounged off or defrauded the social security system, but the number was only an infinitesimal part of those who claimed benefit.

Replying to Mr. Ivor Clementson (Lab, Luton E), Mr. O'Malley said it was estimated that up to half a million pensioners who were entitled to supplementary benefit did not apply for it.

Tories' anti-Russia stance aimed at 'cheap votes'—Wilson

THE Conservative Party's attitude to Russia is more related to its internal problems than to world affairs, Mr. Harold Wilson, Prime Minister, said in the Commons yesterday.

He was replying to Mr. Frank Aldham (Lab, Salford E), who had said that the Conservatives' "daily anti-Russian dose of propaganda" was aimed at whipping up hysteria against the cutting of arms.

Mr. Wilson commented: "They think they can get a few cheap votes by doing it, but nobody in the outside world takes them seriously."

"They pay no attention whatsoever to the attitude and the nature of NATO in these matters. But if it makes them feel happy, I should be the last to complain."

Mr. Peter Blaker (C, Blackpool S) reminded the Prime Minister that a year ago he had signed a joint statement with the Soviet leaders pledging the efforts of their Governments to establish détente on a firm basis throughout the world.

He urged Mr. Wilson to tell the Soviet Ambassador, Mr. Brezhnev, through Gromyko, the Soviet Minister, that the Soviet's "policy of détente, pursued by them and behaved in such a way, is unacceptable to the Government."

Mr. Wilson replied that the Soviet Ambassador told the Soviet Minister that the foreign interest in the Soviet's "policy of détente" was likely to disturb progress towards a democratic system and a necessary bloodshed and ink, particularly in relation to Rhodesia and her neighbours.

Mr. Wilson said that the "anti-Russian propaganda" Conservatives asked Mr. Blaker to "bellicose" the Prime Minister was "so bellicose" that it was "years in Parliament."

Mr. Wilson said: "I know them like I know the back of my hand. I frequently over 30 years."

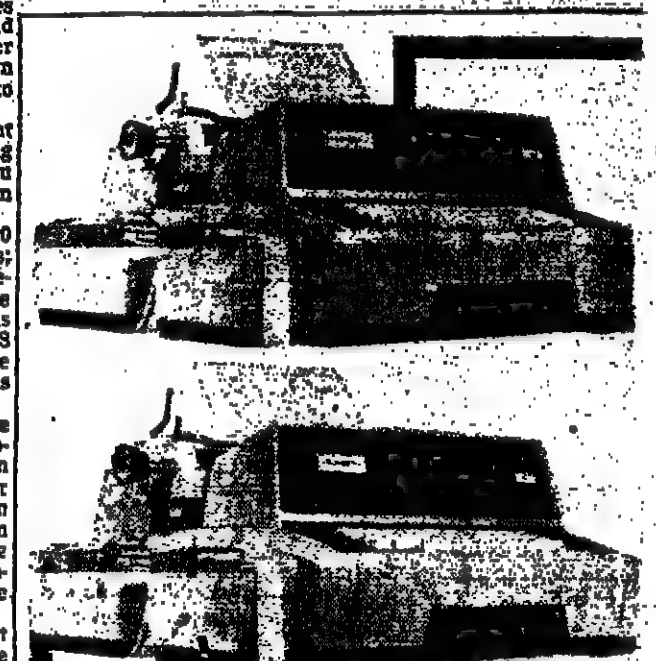
Sub-contractors' certificates

FINANCIAL TIMES REPORTER

ARRANGEMENTS for the introduction of the new car contractors' tax certificates were clarified by Mr. Robert Sheldon, Financial Secretary to the Treasury, in the Commons yesterday.

He confirmed that the new certificates will be required on the date of the change-over to the new tax deduction scheme but pointed out that the date of the change-over will not be April 1.

"I will give some months' advance notice of the new certificates," he said. "Until that day valid certificates will be in use." Mr. Sheldon said he also stressed that the new certificates will apply to contractors and sub-contractors only. "Businesses in the construction industry will not yet apply for a new certificate, and think they will should do so at once," he said.



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The Executive's World

EDITED BY JOHN ELLIOTT

A retraining plan to meet technological change—by Justin Dukes

New skills from redundancy

REDUNDANCY IS clearly one of the most serious social issues facing the U.K. today. It is the starting point for perhaps half the people now unemployed and it also therefore has a direct link with incomes policies since trade union leaders have stated that their co-operation with such policies depends on the satisfactory control of the level of unemployment.

Since 1966, each downswing of the U.K. economy has produced more unemployment than the previous recession and each upswing has been less effective in reducing unemployment. As a result the underlying unemployment trend has been moving upwards.

This emphasises the need for industry to think of some sound ideas to deal with the problem of unemployment and to implement them immediately if the alternatives of uncontrolled domestic inflation and import controls are not to take the stage.

Traumatic

The problem is specially important because the bulk of people now out of work were made unemployed in a primitive system which makes redundancy perhaps the most traumatic experience that a person can have in his or her working life.

Present arrangements not only fail to develop a dynamic industrial labour force able to assimilate new technologies, but also fail to provide a means of averting the social and economic consequences of unemployment. The problem is not only that people are being made unemployed, but also that the system is not designed to help them. The financial policies of the European Social Fund, of the Training Services Agency and of the industry training boards, reflect an appreciation of the fact that development, through retraining, of new or improved skills is one of the real keys to growth.

No assessment

People are still normally selected for redundancy—the situation which best provides the opportunity for substantial retraining—on the basis of last-in-first-out. Cruder technical and social criteria would be hard to imagine. There appears to be no objective assessment of career interest or skill potential before deciding which people should go and which people should stay. Instead, the statistics sadly confirm that the redundant have an above average propensity to subsequent redundancy.

Maintenance of net income as a concept is straightforward, and starts with an undertaking from the employing company to make up the after-tax income of the redundant employee to a level which prevailed across some period prior to the redundancy. The company would also undertake to maintain support up to that level until net earn-

ings, in future employment, equal the specified figure.

Such an undertaking would be matched by an undertaking from the employee, represented by his union, that in advance of the date on which he is due to cease normal work within the company, he would accept objective guidance, under joint management-union supervision on his potential skills and abilities, on an appropriate retraining programme, and on the career he should realistically pursue with a view to the best secure income.

The scheme would be operated jointly by the company and the union concerned, which could delegate the coordination of the operation back to the management of the company. In principle, therefore, there would be a joint responsibility for ensuring that the individual does re-assess his career, and does complete an agreed retraining programme.

Payment cost

The cost of net income maintenance to a company will obviously compare most unfavourably with the cost of statutory redundancy payments if the company is seeking to lose relatively short service but highly-paid employees. However, the levels of statutory redundancy compensation are in any case being forced up and far suggest that, for a group of employees covering a representative cross-section of earnings levels, ages and lengths of service in a diversified industrial area, net income maintenance for the whole group would cost a company the equivalent of approximately four weeks' pay for each year of service. Any such cost equivalent is, of course, based upon assumptions about inflation and the level of unemployment. It is also based upon a comprehensive use of current tax legislation.

Clearly the need for income security and joint management-union support in redundancy depends upon the prevailing level of unemployment, but although unemployment appears cyclic the underlying trend is one of increasing unemployment and industry must live with the consequences.

The Government might well consider, in view of this trend, whether it should encourage among employers and unions an on-going joint responsibility for redundant employees well beyond the point of redundancy, up to the point of providing adequate alternative employment. This encouragement could include the creation of a new category of employed labour to cover this specific group of employees, maybe called "employed (in training)".

Changes in legislation would, however, be required. An amendment to the Redundancy Payments Act 1965 would be needed to allow the employer who makes a commitment to an approved scheme of net income maintenance for a group of employees, to pay the total amount



More arbitration helps to avoid litigation

BY A. H. HERMANN

DURING the next few months developments within the Common Market are likely to increase the importance of arbitration as a way which companies can use to sort out their legal difficulties. This means that the time is now ripe to bring the possibilities of arbitration to the attention of those companies which up to now have not used it in their business affairs.

Most managements are already aware of the advantages of using arbitrators to settle disputes informally instead of indulging in litigation. But there is also a need to ensure that arbitration clauses, when they are used, are not framed too loosely.

This is specially relevant with the EEC developments. The reason for this is that the range of contracts which will automatically fall under the jurisdiction of foreign courts will be greatly increased by the impending accession of Britain to the European Judgments Convention.

An arbitration clause will then be the only way of escaping the dangers of extensive litigation abroad. The Convention—its full name is the Convention of Jurisdiction and the Enforcement of Civil and Commercial Judgments—is already in force among the original six members of the EEC and its operations so far have illustrated the advantages of using arbitration to solve disputes and avoid lengthy litigation all the way to Luxembourg.

When the U.K. joins in, English courts will be far less free to assume jurisdictional responsibility for certain contracts and the Convention will particularly hit insurance contracts

which it lumps together with hire-purchase contracts under rules protecting weaker parties. U.K. official negotiators are now trying to remove from the Convention a rule that gives the insured party the choice either to sue in his domicile or in the country where the loss occurred. They may succeed in removing this from marine insurance cases but not from all other situations and this will lead to a wider use of arbitration clauses in insurance policies, because the Convention does not apply to arbitration.

All this calls for a review of attitudes to arbitration on the part of the courts and on the part of managements. Fortunately, as Mr. Justice Kerr told a recent International Business Communications conference sponsored by the London Court of Arbitration, relations between U.K. courts and arbitrators are more harmonious than fall back on "most harmonious" and High Court judges seem quite keen to come into closer contact with business life by serving as arbitrators in cases involving legal issues—a possibility which has been opened to them only recently.

The chance of securing a High Court judge as arbitrator is probably the greatest bargain available on the English legal market. The cost is £250 for two days, or any part of two days, payable to the High Court and returnable if the proceedings are abandoned or if there is no award.

In large deals to be completed over a period of years, arbitration is often employed not only to solve disputes but also to fill in gaps in agreements. This is an important function and underlines how

important it is to tailor arbitration clauses to the particular needs of the contract instead of merely copying the wording from a previous deal.

There are also important international differences in arbitration which should be kept in mind when drafting an arbitration clause. For example, unlike Continental awards, English arbitration awards do not state reasons for a decision. French arbitrators will often give an award in two hours where those in the U.K. would take days. If fast work is needed it may be advisable to go to Paris or Rome. But if time and money can be spent on meticulous arbitration work, the choice will probably fall on London. Above all, it is important to choose a place in which it is possible to find suitable experts prepared to arbitrate rather than fall back on the geographically most convenient city.

Because London is the seat of numerous specialised associations of arbitrators, it is usually very simple to provide for arbitration in London. The two words "London arbitration" included in a marine contract will be recognised by most foreign courts as determining that arbitration should be under rules of the London Maritime Arbitrators' Association. Its world-wide reputation is reflected in the £3m. it has contributed to U.K. invisible exports in the past year by earning foreign fees.

Another important consideration is procedure. If nothing specific is laid down in the contract, the local procedure will be used by arbitrators; but they can also be authorised by the

parties to adopt their own procedural rules and accept affidavits instead of hearing witnesses which means forgoing cross-examinations and formal pleadings.

Then there is the question of whether one should rely on an institution like the Institute of Arbitrators in London or the International Chamber of Commerce in Paris, or employ arbitrators directly. Obviously, if the need for arbitration is likely to arise urgently on a week-end, an institution will not be of much use. But in most situations the institution will provide not only rules but also a secretariat. To compensate for this when employing individual arbitrators, it may be useful to employ a solicitor to act as secretary to the arbitration tribunal.

It should also be noted that arbitration is the standard method for settling disputes over East-West contracts. All European Communist countries employ arbitration for settling disputes between their own State-owned enterprises and therefore have well-developed institutions for this purpose. They also adhere to a number of international arbitration conventions but do not as a rule admit foreign experts as arbitrators in their tribunals.

There is a vast legal literature dealing with arbitration. An excellent round-up on the state of the art is "International Commercial Arbitration", a loose-leaf collection of documents and papers edited by Professor Clive Schmitthoff, and published by Oceana Publications, New York, together with the British Institute of International and Comparative Law published last year.

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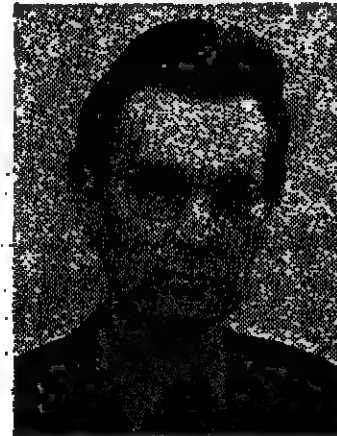


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The recent disclosure in America that a causative agent in MS may have been isolated, has again raised the hopes of the 50,000 people in this country who have the disease.

These findings are without question a significant step forward in a line of research that has been followed for many years in many countries—including our own.

But much work has still to be done to complete our knowledge of the disease, though the likelihood of a major advance is greater at this moment than ever before.

Over the last two years, we have—through the generosity of people like yourself—been able to put over £250,000 behind carefully selected research projects in this country.

What we now need to do, is raise even more money to finance even more research, so that the possibilities opened up by the American achievement can be exploited as urgently and intensively as possible.

And this is not only vital for the thousands who already have this disabling disease, but for the many thousands—especially younger people—who will fall victim to it in the future.

The control of MS is still some distance off, but the pace of research is quickening. You could help to quicken it even more by sending as much money as you can to:

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BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Sale of lease on a liquidation

I have recently put a small private property company into voluntary liquidation. Before transferring the assets of the company in specie to the shareholders, I want to sell some of the flats on long leases of 99 years. Is it permissible or advisable for a liquidator to grant long leases, and are there any long-term problems attached to such a transaction?

If the company is a members voluntary winding-up there is no objection in principle to its realising its assets by selling long leases, apart from the possibility that purchasers will be reluctant to take long leases from a company in liquidation. You will normally need to instruct a solicitor to draft the leases and you may think it advisable to consult him first about the practical question of the marketability of the leases which you contemplate granting.

Guarantee of capital

Is there any way in which an individual investor entrusting capital to a money manager, either an individual or a company, can have a positive guarantee of the security at least of his initially invested capital?

There is no simple answer to your query. The best that you can do is to ensure that liability is at least fixed supported by the obligation of one or more people who are of substance and whose liability is not limited. Unless you are dealing with an unlimited company this is best done by requiring the guarantee of one or more individuals whose personal circumstances made it likely that they would honour the guarantee.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

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WEDNESDAY, MARCH 24, 1976

Jobs and the Budget

THE March unemployment figures are encouraging, surprising and timely. The encouragement hardly needs elaboration: the fall in unemployment—and, still more unambiguously, the rise in vacancies—reinforces other evidence that the business cycle is now past its turning point. This has emerged from recent business surveys, and the sharp recovery in the February money supply also pointed to a revival of activity; but recent figures for output and retail sales have been more subdued. The unemployment figures help to resolve this conflict of evidence in favour of a significant recovery in activity.

Early turn

The surprising thing is that the labour market appears to be turning so early in the business cycle. Unemployment is normally regarded as a long lagged indicator: it may now have turned down within three or four months of the trough of activity. Two explanations suggest themselves: the depth of the recession, and the Government's job-saving programme.

On two previous occasions unemployment has peaked fairly shortly after the trough in industrial production: in 1963 and 1972. On both occasions, the previous recession had been deep, and marked by severe financial strains for companies, which responded with a shake-out of labour. It seems possible that as a result the cushion of hoarded labour which British employers have normally maintained in recessions was much reduced. Furthermore, each cycle was marked by de-stocking, which causes an initially sharper revival in output when the turn comes, with a correspondingly quicker impact on employment. This has been the recent pattern in the U.S.—much to the electoral advantage of President Ford—and something similar may well be happening here.

The Government's job-saving programme has, on the face of it, helped to bring the turn forward. If the jobs subsidised under the programme are eliminated, some rise in seasonally adjusted unemployment remains, both in February and in March. However, it seems likely that a good number of the jobs "saved" have been at the expense of hiring opportu-

Crucial judgment

The evidence could hardly have come to hand at a more important time: for as Mr. Healey has said, he is now engaged in forming what is probably the most important Budget judgment of this Parliament. He is already constrained by an excessive level of public expenditure for 1976-77—the result, it seems, of learning the wrong lessons from unemployment forecasts which may now prove over-optimistic. It is now in his power to choose between a steady, export-led recovery which could last for some years, or yet another cycle of over-stimulation and crisis. Yesterday's encouraging news should strengthen the instinct which he has begun to display to take the long view.

The Lebanon at war with itself

THE CRISIS in the Lebanon is now at least as serious as at any time since it began nearly a year ago. It is not just that the ceasefire, which went into effect with Syrian backing in January, has broken down. It is rather that the build-up of armed strength by the various forces has reached the level where the battle could spread well beyond Beirut and turn into the full scale civil war which has so far been avoided. It is becoming doubtful whether the Syrians could prevent it, even if they were more clear than they appear to be about what they are trying to do.

Israel

In fact, it is easier to say what the Syrians do not want than what they do. They do not want to intervene militarily to the point where this would provoke a military response from Israel. They do not want an extreme left wing Lebanon which would be a challenge to their own position. Nor do they want the emergence of Lebanon as a confrontation State capable of sparking off a new Middle East war in which Syria would inevitably be involved, and they probably do not want partition. Yet ironically each one of these possibilities seems to have become more likely since the Syrians produced their plans for a settlement two months ago.

The Lebanese army has since divided, thus effectively ruling out the solution of a military coup d'état. On the one side here is the "Lebanese Arab Army" of Moslem deserters led by Lieutenant Ahmed Khatib who wants both a better deal for the Moslems and a more active role for the country in Arab affairs. On the other there are the "loyalist" forces which have rallied to President Frangieh. The commander of the Beirut garrison, Brigadier-General Aziz al Ahdad, is in the middle: seems little chance that it will be also a Moslem, but with work now.

The decision to delay the debate on the Weights and Measures Bill highlights more than Labour's Parliamentary problems. Behind it lies growing unease over metrication. Elinor Goodman reports

Shoppers' fears: the brake on the metrication change

THE Government yesterday announced the postponement of the Second Reading of the controversial Weights and Measures Bill, which would have been Britain's next step on the road to metrication. The decision became politically inevitable not when the Conservative Opposition threatened to vote against it unless certain additional information and promises to safeguard the consumer were given but when a group of Labour back-benchers told Ministers that they, too, could not support the legislation in its present form.

Few changes can have been viewed with as little enthusiasm, both at Westminster and among the public, as the transition to metric measurements. Despite frequent assurances from the Metrication Board, the man in the street still regards metrication with deep suspicion. Gone, it is feared, will be the "Great British Pint" and in will come yet more hidden price rises—a suspicion based largely on Britain's unhappy experiences in converting to a decimal currency.

Industry and successive governments have shown a similar lack of conviction about the change. While officially supporting the introduction of the new system on grounds that it will enable Britain to compete more effectively abroad, neither side has put its full weight behind the changeover. This is evident from the fact that the original target date for the "substantial completion" of the changeover was three months ago: there now seems little hope of completing the switch for at least another two years.

Political hot potato

In the course of the last 10 days, however, metrication has suddenly become a political hot potato. The seemingly innocuous named "Weights and Measures Bill," which was to have been debated in the Commons tomorrow, could have produced a repeat of the Government's recent defeat on the public expenditure cuts. Faced by an amendment from the Conservatives, the Government discovered that some of its own backbenchers were showing signs of voting against the Bill. While the Government might have been able to give the Conservative Party at least some of the assurances it wanted, there was a fear that if the Tories realised the degree of dissent among Labour backbenchers, they might force a division. For this reason the debate has been postponed to give the Government time to rally support for the Bill.

The problem is that the en-



Left: Mrs. Sally Oppenheim, Tory spokesman on consumer protection, wants to delay the move to metric measures in the shops. Right: The Metrication Board tries to make it easy. Its consumer-oriented Press advertising earlier this year was part of a pro-metric campaign that has cost £1.5m. over the past seven years.

GOING METRIC - IN THE SHOPS

How to take it easy

metres A metre measures three foot three. It's longer than a yard, you see.

litres A litre of water's A pint and three-quarters.

ditional arguments against metrication is a lot easier to put across than the somewhat intangible benefits to Britain's balance of payments. Those voting against a piece of legislation which was seen as hastening the death of imperial measurements could be sure of winning considerable support from small shopkeepers and the "non-aligned" consumers who are not members of the consumer organisations, like the Consumers' Association, which support the Bill. These organisations favour a smooth painless transition rather than a confused drift.

The Bill would give the Government the enabling power either to fix a cut-off date for the use of imperial measures in certain sectors or to restrict the use of imperial measures. This means that if the Bill were passed the Government would be able, after due consultation with industries affected, to lay an Order before the House stipulating that, say, clothes or jams could in future only be sold in metric sizes. It also means that the Government could insist that goods now sold by the pound, like meat and vegetables, were in future weighed out in kilos.

Officials also stress that there are no plans at present to use the cut-off powers and that they may never be necessary. There will never be any question, they say, of an "M" day on which all remaining products go metric. The Conservative reasoned amendment, as proposed this week, would not change the Bill but could slow up its progress. In it Mrs. Sally Oppenheim, the shadow spokeswoman on prices and consumer affairs and her colleagues, said they declined to give a Second Reading to the Bill "unless and until the Government provided adequate and specific information as to the exceptions, the cut-off dates and the consumer safeguards in the metrication programme."

In this amendment they appeared to be echoing the concern expressed this week by the National Consumer Council—the organisation set up by the Labour Government to represent the consumers' interests—that too rapid an adoption of metric measures on items like weighed-out food-stuffs might fuse among consumers about prices. The point about "exceptions" presumably refers to vexed issues like "the pint."

Though organisations, like the Consumers Association and Food Manufacturers Federation, might like further details of the Government's plans on metrication, their prime objective is to

get machinery moving to allow the Government to fix cut-off dates and so speed up the transition.

In report after report the Metrication Board has urged successive Governments to take steps to allow Britain to go fully metric. But, it is only now with the recent spate of Orders on prescribed quantities, and the new Weights and Measures Bill that the Government has really responded to this call. The view in Whitehall now is that unless the legislation is passed, Britain will drift still deeper into confusion as it edges towards metrication, with suppliers using one set of measurements and their customers another.

The Government is, of course, not only acting on the advice of industry and the Metrication Board. Britain has a commitment under the Treaty of Accession to the EEC to adopt the use of the metric system for all purposes by April 1978. The future of imperial units has to be settled within the EEC by August 1976 and, failing an agreed decision, the Treaty commitment is that imperial units will disappear at the end of 1978 except where special cases are made out — as presumably would in the case of beer.

This decision is currently being reviewed in a draft amend-

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ing directive before the EEC at a time when the National Coal Board was still delivering time table under which in imperial tons.

The eleven-year voluntary changeover to metrication has been end of 1977 while others like long and difficult. Now, with square yards would go by the end of 1978. Decisions on the more politically sensitive measures—pints and ounces, for example—would be delayed until the later date, which could mean their possible continued use in Britain until about 1981.

The other point on the EEC aspect is that after April 1978 Britain will no longer be able to discriminate against products sold in metric quantities.

Simmering feeling

Both industry and Government feel that unless the Government has the reserve powers to enforce cut-off dates on the use of imperial measures, the necessary progress towards metrication will not be made. The emotions which the Weights and Measures Bill has aroused, however, has to some extent exaggerated its importance. The legislation is being used as a focus for simmering anti-metrication feeling that has been around for some time.

However much opponents of metrication might want to turn back the clock, Britain is committed to the change and has already gone, over half way along the road.

The greatest progress has been made, not unreasonably, in those sectors which can see immediate advantages in going over to an internationally acceptable system of measurement. Around 35 per cent of all engineering production is now in metric sizes while almost 90 per cent of engineering companies are now designing for the future in metric.

The change to metric working in the construction industry is largely completed and metric sizes are now standard for steel sheet, while some food products like breakfast cereals are now in metric packs.

The idea always was that the changeover should start in the primary processing industries and gradually work through to consumer products and then into the shops, with road signs being changed last. But the voluntary nature of the transition has inevitably led to some confusion, while, at a time of recession, companies have not necessarily been prepared to spend money on new equipment when there was no obligation to do so.

Almost every sector of industry can quote anomalies which have arisen since programmes were started in 1970. The Central Electricity Generating Board, for example, geared itself to receive metric tonnes

Both industry and organisations need for fuel—a point also National Consumer Council's Metrication Board has spent £1.5m. in the past seven years, the £900,000 for Government in just weeks in promoting Check scheme. Even people recognise an amount of advertisement to make consumers forward to metric, the woman doing her buying her meat in, undoubtedly be confused, and all the Government can do is try to convince public that manufacturers are not allowed to changeover as an excuse for their prices artificially.

It is not possible to accurately either the going metric or the terms of exports. All certain is that if Britain not made the decision metric it would have been in a tiny minority. Con wealth countries, such Australia, have already considerably more progress towards metrication Britain, while the U.S. is also committed to it. T leaves a small select band Brunei, Liberia, Burma at which have arisen since programmes were started in 1970. The Central Electricity Generating Board, for example, geared itself to receive metric tonnes

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MEN AND MATTERS

Mapping the royalty row

A fine battle is going on between the Map Publishers Group, and affiliate of the Publishers Association, and the Ordnance Survey, which not only publishes its own maps, but also charges royalties on products of other map producers. George Philip, the chairman of the Map Publishers group has written to a number of newspapers complaining of "new swingeing charges" by Ordnance Survey.

According to the MPG arithmetic price increases of up to 50 per cent, royalty increases of up to 35 per cent, and with a further 100 per cent increase due in 1977 is producing an effective seven fold rise in charges over a 12 month period. It calls the new charges "shameful" particularly because they have been introduced at a time when the whole question of copyright is under investigation by the Whitford Committee.

"Historically, copyright has been for the protection of the originator. The Ordnance Survey are now using it both to make profits and to damage an independent industry," thunders Philip.

Strong stuff, but not enough to allow Ordnance Survey, where Alno Dalgleish, the director of map publications, says that the MPG interpretation of the situation is "not strictly true." He points out that although government departments are not subject to the Price Code they are subject to equivalent tough restrictions. Price increases therefore are justified by cost increases.

The royalty charges are a quite different question according to Dalgleish. Until recently royalties have been charged on a sliding scale according to the number of copies printed. For example mass produced road maps might attract only 0.7p per copy in royalties, while an



"They'd be even better if it wasn't for football managers and the top State jobs!"

estate agent might pay 40p to 50p in royalties for each of several copies of a large scale local map.

This system had endured since the 1930's, but as mass production users increased it was felt that the system was unfair to the bulk of users.

The mass producers were only contributing around 5 per cent of royalties. Therefore a flat rate per copy has been introduced—pitched at a level which leaves total royalty income virtually unchanged. The 0.7p example would now cost 2.6p per copy: a big percentage increase, but hardly enormous in absolute terms.

The inevitable puzzle is how far he is a policy-maker and how far just a functionary for the Politburo's leading lights. Gromyko has a reputation as a thoroughly professional diplomat, tenacious and well drilled in carrying out orders. There is in effect no policy-making outside of the Politburo, and significantly Gromyko was

Leiyand companies' and put them on display at the Downing Collection, near Derby.

A new company has been formed to develop the collection, and the public should be able to see the vehicles—ranging from an 180 Wolseley to the last E-type Jaguar—from the autumn onwards. The idea is that the project should be self-supporting by making the cars available commercially for displays, films, and so forth. At least the collection, estimated to be worth £1.5m., can go down as an appreciating asset.

The long stager

As Dmitri Polyansky discovered the other day, some jobs are more risky than others in the claustrophobic world of Soviet politics. Once considered a man with a promising future, Polyansky was dropped from the ruling Politburo and dismissed as agriculture minister after another bad harvest, a familiar hazard for those aspiring to his ministry.

In foreign affairs, however, Russia seems to have opted to an extreme degree for continuity despite the old international setback.

Foreign Minister for 16 years before he was admitted to that inner sanctum. In Westerners' hearing, Leonid Brezhnev has sometimes indicated jocularly that the solemn Gromyko is somewhat hawkish, but that could be routine double bluff.

Gromyko's background has been thoroughly Western-orientated, and his technical skill is doubtless the key to his survival through the changes of regime since 1939 when he joined the Foreign Ministry. He served in quick succession as head of the U.S. department, ambassador to Washington during the war, and U.N. representative up to 1948.

On recall to Moscow, he became deputy foreign minister, and there was a brief stint as ambassador to London in 1952 and 1953. His predecessor as foreign minister, Dmitri Shepilov, had lasted only eight months. In view of current events, Gromyko took over at an important time, and the West was apprehensive then about new Soviet moves in the Middle East and a tougher line with Communist satellites.

Gromyko's son Anatoly recently joined the Soviet Foreign Service and is now Minister Counsellor in East Berlin. A White Russian from Minsk, Gromyko speaks English well, has a phenomenal memory—and probably relishes the current bonus of witnessing the Labour leadership tussle, though I would guess he has few tips to pass on from Moscow on the subject.

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مكثان النحل

Ulster industry: the diminishing returns

IT IS JUST after 11 a.m. along the Lower Falls Road in west Belfast and the pubs are filling up quickly with the week-day morning crowd. Suspicious of even contemptuous, of strangers, the natives of this solidly Catholic "Republican stronghold" are disinclined to discuss the reasons why factory hooters play increasingly little part in the rhythm of their lives. Almost one man in three is unemployed in this depressed community and Ulster politics being what they are, joblessness is for them less an issue than a fact of life.

Eight miles farther west at the British Army's The Royal Barracks in Lisburn, unemployment is more closely studied—as a military factor. Behind the cream-painted bars that seal off the barracks and their staff officers in the protective custody of the HQ block's second floor, a direct correlation is nowadays drawn between the length of an area's dole queue and its appetite for violence.

Lessons

Army maps pick out Catholic and Protestant districts in green and orange, and drawing on the lessons of Andersonstown or the Ardoyne, where "incidents" are frequent and unemployment high, the security forces are as concerned as anyone that Northern Ireland's economic ills should be cured.

Thanks, in part, to the sweeping £10m. defence cuts that will cost 2,000 skilled civilians their jobs, the Ulster economy is now very much under the spotlight. The Government, concerned to show that the phase of indefinite direct rule just begun will be positive and con-

structive, has unveiled details of a broad plan to regenerate industry. Within three months a study team is to report to Westminster on the Province's long-term economic position and the strategic steps needed to improve it.

Ten years ago, things looked very different. Foreign and British industrial investments were at record levels and the Province's growth was 50 per cent. higher than across the water. Violence and civil chaos have gradually eroded that—although even as late as 1973 *Newweek* magazine described Northern Ireland as "a minor economic miracle"—and in the last 12 months the recession has brought matters to crisis point. Factory closures, estimated at over 50, have taken about £70m. out of the Province's economy in wages alone. Unemployment benefits cost well over £80m. a year (which is more or less the figure that the violence is reckoned to cost) and if yesterday's latest 9.2 per cent. seasonally adjusted unemployment figure for March were translated into British terms, there would be over 2m. jobless.

Moreover, there are fears that the worst is still to come. The closures which have been hitting the headlines in a depressingly steady stream since the summer—notably Standard Telephones and Cables and Rolls-Royce—have yet to take effect. They are being phased, like the defence redundancies, but in all as many as 5,000 skilled workers are under sentence of unemployment and could later this year swell the jobless figures to approaching 12 per cent.

The jobs crisis in Ulster has developed much faster than expected. Just over a year ago, Mr. Stanley Orme, the Minister of State with overall responsibility for economic matters, took part in urgent talks with Unionist political leaders who were growing concerned over the then unemployment rate of 6.7 per cent. Afterwards he commented: "While the situation is serious, it has not yet reached crisis point."

Projections at that time forecast that a gross rate of 8.7 per cent. would be the highest Ulster would face while the recession bottomed out. By August, nearly 50,000 people were out of work, a proportion of 9.4 per cent. and through the following months this climbed to nearly 10 per cent. (unadjusted) in January. Since then, the rate of factory closures has soared, and only Government aid is keeping unemployment in check.

As much as £18m. has been allocated to Northern Ireland under the Chancellor's various relief measures, and much of it has been ploughed straight into labour-intensive industries like construction to offset the traditional winter downturn.

In January, the phenomenon of 6,000 students signing on during the holidays lifted the crude unemployment rate to 11.1 per cent. But even when they had returned to their studies, February's fully adjusted figure stood at 9.1 per cent., the highest February figure since 1941.

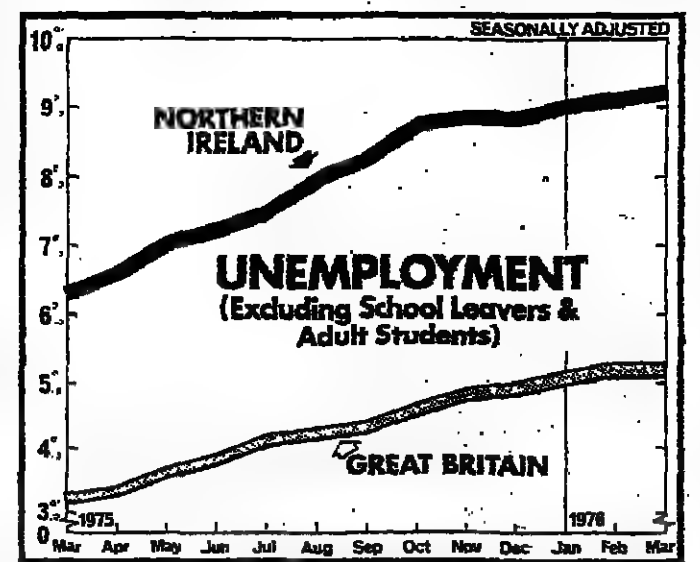
Second best

Northern Ireland's Catholic minority has traditionally come off second best in the jobs stakes. Although the Protestant workforce that has been the backbone of the shipbuilding and engineering industries is still relatively untouched by such unemployment levels as the 35 per cent. recorded in severely depressed parts of

West Belfast, the future looks grim.

Since the last war, Ulster has tried hard to get away from the staple industries that dated from the industrial revolution—textiles and shipbuilding. Man-made fibres have taken over, and Courtaulds' work-force now makes it as big an

engineering is now at 112, while the all-industries figure is 105. Ulster's problem is not simply civil strife. Although that has done much to curtail foreign investment and it is no accident that Mr. Liam Cosgrave, the Irish Premier, was this week able to announce U.S. investment plans of \$100m.



employer as Harland and Wolff. New industries since the war have created 72,000 jobs, over 44 per cent. of all employment in manufacturing industry, taking up the slack from textiles and shipbuilding which employ half as many people as 30 years ago. The difficulty has been that the slack is never taken up immediately, and the result has been Northern Ireland's structural unemployment of 5-6 per cent.

Engineering has also declined and pessimists predict that it is an industry with little future. The industrial production index here supports that view. On a 1963 base of 100, en-

which will mean 3,000 jobs; a recent capital-raising tour of America by Mr. Orme resulted in nothing concrete. In the past, U.S. interests created 24,000 jobs in the Province, but terrorism and Ulster's less attractive incentives now give the Republic the edge. The Republic grants tax "holidays" to new foreign industry, with which the North, as part of the U.K., cannot compete.

For British industry, it is Northern Ireland's geographical position that makes it increasingly unattractive. Once situated conveniently at the U.K.'s Westernmost point, it thrived on Atlantic traffic. Since

then, trade patterns have changed and it now suffers from being physically separated from Britain. When Mr. Merlyn Rees, the Secretary of State for Northern Ireland, met 30 senior CBI industrialists last month to encourage them to increase investment, he apparently left relieved that he had in many cases, cash injections been able to persuade them to not to cut back on their operations in the Province. Their point had been that 30 per cent. higher electricity charges and inflated transport costs make Northern Ireland a difficult economic proposition, and it is possible that the Government may decide to subsidise these extra costs.

There are, naturally, some optimists who argue that the redundancies still in the offing will be cancelled out by the general upturn in demand towards the end of this year in Britain, which should be passed on here by early 1977. Pinning Budget from Mr. Denis Healey next month, some even argue that a 1 per cent. rise in U.K. consumer demand would neutralise almost all the damage done by the recession, especially as the textile industry would probably benefit first.

Evidence

It is not a view that Mr. Rees' economic advisers share, much as they might wish it were true. The evidence suggests that for Ulster, any reflation will be too little and too late to stop the slide. For the first time, the Province faces an unemployment trend in which it is the skilled whose jobs are threatened.

During 1975-76, £100m. is to be spent on industrial aid and development, and an active

lame ducks policy will continue to try to prevent more companies going to the wall. The snag is that State intervention—with the aim of keeping production units in one piece so that eventually they can be re-directed into different, sounder industries—can only go so far. In many cases, cash injections are not a feasible solution to structural problems. To put it another way, there is no point in bailing out an engineering higher electricity charges and inflated transport costs make Northern Ireland a difficult economic proposition, and it is possible that the Government may decide to subsidise these extra costs.

Investor

Ulster badly needs new investment. And as things stand the British Government is the only foreseeable investor of any size. But creating new industry either through the Department of Commerce in Belfast or the re-named and streamlined Northern Ireland Development Agency (formerly the Northern Ireland Finance Corporation), takes time and the signs are that even were Westminster willing to vote massive funds, the machinery would be unable to translate them into jobs quickly enough to absorb future unemployment. An Ulster showpiece, for example, the £4m. State-owned Strathmore Audio project in Andersonstown that will eventually employ 1,300 people after training them, has been under construction for four years and has yet to place its products on sale. So while the new Development Agency's budget has been started at £50m., it will be hard-pressed to spend £9m. on new industry this year.

To date, public sector employment has done much to cushion Ulster from the effects of its industrial downturn. According to a confidential report being prepared, "substantially" more than 25 per cent. of the workforce relies on Government spending. But with the general U.K. "levelling out" of public expenditure, Ulster's share is liable to drop visibly by 1980.

The big questions, therefore, are how deep the British taxpayers' pockets are and how willing they are to continue reaching into them. In three years, Britain's contribution to Ulster's finances has almost doubled. The subvention that goes to boost Northern Ireland's tax receipts, so that they balance Government spending, has gone from £313m. in 1973-74 to an expected level of almost £600m. for the coming 1976-77 year. In the present climate of British opinion, the Northern Ireland Office sometimes finds it difficult at the least, to gain Whitehall's sympathy for this support when it entails cutbacks on Britain's own spending.

Despite this rising level of cash aid, Ulster's "Loyalist" majority sees such cutbacks as the sign of a phased economic withdrawal by Britain. They are, of course, obsessed with the subject of withdrawal, and Whitehall often has to bend over backwards to prove them wrong. The fact remains, however, that Ulster is an area of diminishing returns. Ulstermen rightly enjoy a reputation for being quick to work and slow to strike. But with an active workforce that, at 38 per cent. of the 1.5m. population, is considerably lower than Britain's 43 per cent., per capita output is now only three-quarters that on the mainland. Once an industrial powerhouse, Northern Ireland is increasingly a millstone.

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Cash aid

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Letters to the Editor

Equity bank

From Mr. P. Viggers, MP.

Sir.—Little progress seems to have been made on the proposal for an equity bank, and before any kind of commitment is made the prospective participants and customers ought to look very carefully at the underlying assumptions.

The concept of an Equity Bank derives from a frequently expressed view that financial institutions are letting down industry by failing to provide the necessary fresh investment capital. It is indeed true that there has been a reluctance to invest in industry, but the cause of this needs to be analysed.

In recent years companies have continued to declare profits which appear reasonable, but in doing so they have not taken proper account of inflation. As a recent study for the chemical manufacturers has pointed out, the companies' average inflation-adjusted return on capital was 4.3 per cent. in 1973-74 and only 2.3 per cent. in 1974-75. If proper adjustment is made for inflation, there are very few companies which can show a satisfactory return on capital employed.

Legislation

The plethora of legislation in recent years has governed matters such as price control, health and safety, work and pension provisions. Viewed individually, each one of these may be eminently proper and reasonable, but taken collectively they form a burden of expense that companies are finding increasingly heavy. The assumption for several years now has been that companies are making large profits and can afford to bear the burdens which are thrown upon them. This assumption is in most cases incorrect, and shareholders, employers and employees have lived in an atmosphere of delusion in which they believe that all is well.

As one who has felt in both the City and Westminster I must say that I believe the City to have infinitely the better antennae and acumen in financial matters. The City and financial institutions have held back from investment because the ratio of risk to reward is unattractive and the proper criteria for investment are lacking.

There are two ways in which the situation can now develop. The proper way is for Government and civil service to appreciate that the investment scene must be made more attractive on a long term basis, particularly in productive industry where labour uncertainties have loaded the balance against stable profits. If this proper way is not taken the Government will continue to face an unenthusiastic investment market and will be obliged to bring pressure or cajolery to bear. Investors may thus be beguiled into investing on unattractive terms through such a medium as the proposed Equity Bank. There is a move to portray the Equity Bank as an institution that will remedy a defect in the free enterprise financial system, but this is not so. There is nothing wrong with the present system, which is flexible to respond to all genuine requirements. The fault lies elsewhere, in the underlying assumption that the present level of profits on industrial investment is satisfactory.

If the Equity Bank should be formed and undertake business it is difficult to see how it can operate without Government subsidy in which case yet another distorting factor will have been added to our financial and industrial institutions.

With Government economic policy at the crossroads this cannot be the right time for leaders

Leadership election

From Mr. A. Corbish.

Sir.—From start to finish it seems likely to take more than a week for Labour's three-phased preferential election system to find a successor to Mr. Wilson.

Meanwhile, the 2 crumbles and business confidence hang in limbo, while Labour politicians "wheel and deal" in smoke-filled committee rooms.

Several questions spring to mind. How do the participants justify their adherence to a form of preferential voting—archaic though it may be—which they deny to the national electorate? Surely if they wish their leader to be elected by an absolute majority in order to command maximum support, why should we not seek the same? Why are we expected to tolerate a Labour Government which got only 38 per cent. of votes cast when Labour MPs would not accept their own leader on such a basis?

Would it not be in the better interest of all concerned (not merely Socialists) if in the first ballot those voting were simply to number their preferences in order—one to six—instead of with an "X"? This would allow the normal application of proportional representation by single transferable vote to take its course and elect the leader commanding maximum support within about an hour, rather than a week. Or do the mathematical talents of Labour MPs not stretch beyond the digits of one hand?

Alan Corbish, Afo Associates, 21, Tennison Avenue, E.11.

District heating

From Mr. J. Joyce.

Sir.—Your Science Editor reports (March 17) that the Glasgow Pinkerton power station district heating proposal has failed to meet the required Treasury rate of financial return and that this will be a blow for "enthusiasts" for such schemes. It is not possible to comment on this project in particular without detailed knowledge of the report or of the constraints that were imposed on those who made the study. What is appropriate, however, is to comment on the impression given that district heating is a matter for enthusiasts or indeed that the worst effect of an adverse report would be a personal blow to such peculiar people. There are a number of points to be put alongside one another in this context.

Buildings will be heated in winter and domestic hot water will be consumed. Even in today's economic circumstances we cannot reasonably foresee a lowering of desirable or actual standards. Similarly, we cannot foresee any backward movement into environmental pollution, more likely a continued improvement. Thirdly, as your columns often tell us, there is a limit to the world's supply of fossil fuels.

Setting aside financial arguments, there is no doubt that large central plants have a higher thermal efficiency than individual appliances they can replace. Where waste heat from power stations or incinerators is available the thermal arguments are even stronger. Pollution control is possible in

central plants that cannot be attempted from the multitude of chimneys essential with domestic gas, oil or coal heating apparatus. District heating must, no doubt, will come to this country but how much fuel will we waste while we grapple with self-imposed financial restrictions, often artificial?

Your paper has noted the need for a National Fuel Policy. This is essential and must put the fuel saving potential of district schemes into the right perspective. District heating must come as a result of national policy not private enthusiasm.

M. H. Joyce, 14, Homefield Road, Radlett, Herts.

Waste of fuels

From Mr. P. Bassett.

Sir.—Your report (March 17) of the South of Scotland Electricity Board's feasibility study for district heating in Glasgow appears to reveal an example of the spending of £30,000 of public money to prove an already universally accepted fact. No competent person has ever suggested that large-scale district heating could be implemented without a Government-backed investment programme comparable in magnitude to those of the large nationalised industries such as electricity and the Post Office.

The whole point that is being so woefully missed in studies of this kind is that district heating is aimed at conserving fuel, in particular coal and oil. Our replaceable reserves of fossil fuels are dwindling and it is in an attempt to reduce our rate of consumption that your "enthusiasts for large-scale district heating schemes" are shouting themselves hoarse. It is fuel that is the real issue, not money, and of course we must be prepared to spend money to save it.

Above all, we must not fall into the trap of thinking that we can afford to continue to waste two-thirds of our fuel reserves in the belief that when it is all gone there is nuclear energy to take its place. It cannot be emphasised too strongly that the way ahead for nuclear energy is by no means clear, there are very real problems standing in the way of nuclear development for which there are at present no solutions in sight. It is not even certain that we ever shall solve these problems.

We certainly have no right to day to be mortgaging the energy supplies of future generations, but this is just what we are doing and as far as we can, Peter M. Bassett, 71, Albany Mansions, Albert Bridge Road, S.W.11.

Libertarianism and unions

From Mr. T. Arthur.

Sir.—The word "libertarian" is creeping into fashion, no doubt because liberal policies are now recognised as anything but liberal. But it looks as if "libertarian" will soon be similarly abused, judging by the journalism of the past few weeks.

There is no conflict between libertarianism and closed shops, provided that the closed shops are freely negotiated in the market. Many employers have insisted for years that new employees enter the company person scheme, similarly some may insist that employees join a particular union.

What is not libertarian is to enforce, by law, an employer to alter the conditions of employment he wishes to lay down. That is what the Industrial Relations Act

did and (again inter alia) what Mr. Foot's Bill rightly undoes. Emotion at the huge power of trade unions probably causes many who support liberty to describe the option to pursue a closed shop policy as anti-libertarian. This emotion is perhaps understandable, but the root of the trouble—union power—is a different matter altogether. In fact, this power itself can be traced to other non-libertarian policies. Trade unions are literally shored up by a paucity of direct legal privileges (and by the State monopoly of the currency, frequently debated to meet union demands). If the words "trade union" were deleted from the Statute Book a truly neutral bargaining position would exist. Employers would be free to negotiate "100 per cent. non-union membership" agreements as well as closed shop agreements and I have no doubt that many would succeed in doing just that. Nor would union members suffer, for, perversely, the chief result of trade union power has been lower standards for all including union members, and the only significant "benefit" has been the explanation of the Government's role.

T. G. Arthur, 25, Yarncliffe Road, Edgbaston, Birmingham.

Surveying the non-smokers

From Mrs. A. Wolfe.

Sir.—Mr. Mayers (March 20) suggests that non-smoking units in the centre of trains should be more evenly distributed following more recent survey which shows 40 per cent. occupation of smoking seats and 60 per cent. occupation of non-smoking seats. May I suggest it is not the positioning of the seats that has caused the large number of non-smoking seats to be occupied, but the fact that many smokers prefer to travel in the clearer atmosphere of the non-smoking units.

Perhaps there should be another survey to find how many of those occupying non-smoking seats are habitual smokers. Rosalind Wolfe, 13, Bramington Street, Chelsea, S.W.3.

Means of social change

From Mr. F. Price.

Sir.—Mr. Rogaly (March 17) reminds us of the detrimental aspects of social change since 1945. Whether these more than offset the benefits must remain a matter of opinion. It is an oversimplification to attribute the degeneration to governments we have had although clearly they are not blameless. Of far greater importance is that if we wish to improve our society then each of us should make a conscious effort to this end.

In the company where I work, over the years employees have evolved a philosophy which guides us in our enterprise; based on decency and Christian charity we believe that our generally beneficial work for the families are directly enhanced while obviously the effects are more widely spread.

Our prime motivation is to achieve customer satisfaction at a profit, recognising that this is essential for our future progress and success and, hopefully, more generally beneficial. We believe in fairness and honesty in our dealings. The basis is a "fair day's work for a fair day's pay." Furthermore, as a body we should aim at achieving happiness at work by a genuine concern for one another. We are assisted in creating a

sense of achievement by setting and communicating plans and objectives, and by monitoring and crediting success against these targets.

We believe in providing opportunities and encouragement for self-development to all personnel. We believe in promoting from within wherever this is practical. We recognise the importance of the continued development of our group. We contribute to this by sharing technology and commercial knowledge and by encouraging the exchange of personnel. We are most likely to be able to "stick to our principles" by preserving our independence as a private company. Perhaps personal initiative could be the key to achieving the improvements which all of us so earnestly and urgently need.

I. W. Price, 10, Home House, Park Road, Haslemere, Surrey.

Organisations for small firms

From the National Organisation.

The National Chamber of Trade Sir.—The announcement (March 15) that yet another small firms and self-employed person's association had been formed will add to the difficulty of persuading Government departments and Ministers to take seriously the very real problems such businesses face. A few years ago, the then Minister for Small Firms, Mr. Anthony Grant, MP, said to me in a letter that "there seem to be as many organisations for small firms as there are small firms."

Without seeking to initiate an auction may I point out that the National Chamber of Trade includes 350,000 small firms and that its network of persuading Government departments and Ministers to take seriously the very real problems such businesses face. A few years ago, the then Minister for Small Firms, Mr. Anthony Grant, MP, said to me in a letter that "there seem to be as many organisations for small firms as there are small firms."

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Profitless prosperity

From Mr. D. Natusch.

Sir.—I would like to reply to the letter from Mr. H. Woolf (March 20) in which he claims that exporting during a period of devaluation is a prime example of "profitless prosperity." The key statement in his letter was: "Recently we imported raw materials at a rate of \$2.20 to the £ and which after, say, a lapse of six months for conversion into manufactured goods, will be sold to reflect a rate probably less than \$1.95."

Now there is no law which says that because sterling has been devalued British goods must be reduced in price on the world market in terms of \$s. DMs or whatever. Therefore the effect of devaluation is precisely the opposite to what Mr. Woolf stated. The real position is that we have imported raw materials at a cost of \$2.20 for one dollar's worth and will be able to export the manufactured goods at a price which allows 51p for every dollar's worth of raw materials which they contain. D. A. Natusch, 2, The Croft, Bridge Hill, Belper, Derby.

To-day's Events

GENERAL: Mr. Andrei Gromyko, Soviet Foreign Minister, holds talks with Prime Minister prior to lunch at 10, Downing Street, and will later be host at Soviet Embassy dinner.

President of a Mozambique, Tanzania and Zaire meet in Lusaka to discuss their strategy towards Rhodesia.

TUC General Council meets. Department of Employment, and Machine Tool Trades Association give evidence regarding public expenditure on Chrysler U.K. to House of Commons Select Committee on Expenditure.

Mr. Roy Hattersley, Minister of State, Foreign Affairs, gives evidence on fishing problems and 200-mile limits to House of Commons Select Committee on European Secondary Legislation.

Mr. Roy Jenkins, Home Secretary, meets MP's Freedom of Information committee, Home Office.

PARLIAMENTARY BUSINESS

House of Commons: Debate on international trade. Motion on financial assistance to industry (BP Chemicals International).

House of Lords: Debate on law concerning obscene publications and indecent displays.

COMPANY RESULTS

Dunaway Day Group (half-year). News Ladbroke Group (full year). News International (full year). Rockware Group (full year). Slough Estates (full year). Tube Investments (full year).

COMPANY MEETINGS

Bulbough, 20, Cannon Street, E.C. 4.

E.C. 16.15. Crescent Japan Investment Trust, Edinburgh, 12, Dunfermline, 12, Savoy Hotel, W.C. 2.

E.C. 12.15. Greenfield Investment, 11, Austin Friars, E.C. 4.

Imperial Metal Industries, Birmingham, 12, Kenning Motor, Chesterfield, 12, Scottish American Investment, Edinburgh, 11, Scottish Mutual Assurance Society, Glasgow, 12.15, Standard Trust, Winchester House, E.C. 11, Throgmorton Trust, 25, Milk Street, E.C. 4.

Whittingham (W.), Wolverhampton, 4.

MAXIMISE YOUR MEDIA OPPORTUNITIES

How to improve your TV campaign

Next time someone suggests you put all your advertising on TV, ask if he's read this booklet.

The booklet is published by the Press Communications Research Committee. Its message is clear: If you put all your eggs in the TV basket you may not influence those people who don't watch much ITV. Light ITV viewers, as they're called. They're the people who watch around seven hours or less per week. An hour per day perhaps. They're a numerous breed; 33.8%* of the adult population at the last count. Now it so happens Radio Times reaches 27% of those light viewers. And cost effectively. If you'd like to see a copy of the booklet please phone 01-580 5577, Extension 3236. BBC Publications, 35 Marylebone High Street, London W1M 4AA.

*MCAVRS July 1974-June 1975 weight of TV viewers age 16+ medium + light + severe.

Radio Times

The 9 day weekly

COMPANY NEWS + COMMENT

Improved outlook for Turner & Newall

ANNOUNCING profits and dividend for 1975 in line with the forecast in the February rights issue, the directors of Turner & Newall state that U.K. prospects are better than at this time last year, and demand for most group products is expected to increase during the year.

Overseas, although there are political uncertainties in some areas, prospects are in general good for the group's subsidiaries and associated companies.

Sales increased from £235.71m. to £257.26m. in 1975, and pre-tax profit amounted to £21.81m., compared with a forecast of not less than £21.3m. and with £21.48m. for 1974.

The dividend is stepped up from 7.56p to 8.217p net per £1 share as forecast—the maximum permitted—with a final of 3.217p. The new shares do not rank for the final. Stated earnings per share were 15.76p against 15.16p.

European sales 1975 1974
Overseas 1975 1974
Total sales 257.26 235.71
European profit 12.71 11.21
Overseas profit 9.10 8.29
Total profit 21.81 19.50
Shareholders' interest 13.25 12.44

After depreciation 17.79m. (16.89m.)
U.K. tax (including associated companies) 2.12m. (2.12m.)
£2.09m. (2.12m.)

Direct exports from the U.K. increased to £15.5m. (£14.7m.). As forecasted the U.K. performance in the second half, when trading profit was £3.7m., was significantly better than in the depressed first half.

The subsidiaries abroad performed well despite a prolonged strike at Bell Asbestos Mines. Had this strike not occurred, the directors estimate that trading profits of overseas subsidiaries would have been at least £2.5m. higher.

The associated companies reported substantially improved results. The two largest—Cansar Asbestos and Certain-lead Products—accounted for the major part of the increase.

The net extraordinary charge of £1.4m. derives principally from a provision for exchange losses on foreign currency loans, the group's share of provisions made by Certain-lead Products for losses on disposal or closure of its 95 per cent. owned real estate subsidiary partially offset by profit

HIGHLIGHTS

Almost doubled profits at A.P. Cement, reflecting cement price increases, pushed the shares, a strong market of late, a further 7p higher. The sharp increase in profits at Stone-Platt reflects a combination of higher volume, loss eliminations and currency gains. Completing the Lex column is BICC which is raising £20m. by way of a rights issue on the basis of one-for-five at 87p. United Newspapers' margins continue to be eroded and profits are 32 per cent. lower while the figures from Turner & Newall are more or less in line with projections made at the time of the rights issue. A strong performance in the pump division together with loss eliminations in building has helped Weir Group achieve record profits.

on sales of investments, it is stated.

1975 1974
Total 1975 1974
Investment 1975 1974
Current assets 1975 1974
Short-term debt 1975 1974
Other current liabilities 1975 1974
Total 1975 1974
Dividend 1975 1974
Shareholders' interest 1975 1974

comment
The summarised balance sheet issued with the Turner & Newall results statement confirms that the group was thinking very much for the longer term when it launched its £20m. rights issue last month. Debt fell from £50.4m. to £34.8m. over 1975, and declined from 45 to 39 per cent. as a proportion of shareholders' funds.

The results themselves are much in line with the Newall results statement, which confirms that the group was thinking very much for the longer term when it launched its £20m. rights issue last month. Debt fell from £50.4m. to £34.8m. over 1975, and declined from 45 to 39 per cent. as a proportion of shareholders' funds.

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AS EXPECTED, pre-tax profits of Tomatin Distillers, at £307,822 for 1975, are down from the record

of £339,163 of 1974. Earnings per 25p share are shown as 3.53p. First half profits, cut from £333,739 to £243,044, reflected reduced demand for fillings due to liquidity problems of bonders and the directors warned that unless there was a revival, there would be a material reduction in profit for the full year.

The final dividend is 1.925p net, making a total of 2.309p against an equivalent 2.286p in 1974.

The chairman, Mr. R. S. H. Callaghan, says that due to continuing liquidity problems in the industry production of new whisky had fallen to about 2.5m. proof gallons in 1975 compared with 3.13m. the previous year, and that in the circumstances the profit is "satisfactory although disappointing".

Investment in additional production at the distillery was now complete and the group is in a good position to take advantage of a revival in the industry. Uncertainties make it difficult to forecast profits for 1976, says the chairman.

SHIPOWNERS, tankship brokers and managers, John I. Jacobs and Co., reports pre-tax profits up from £1,460,336 to £2,461,646 for 1975 after a fall from £1,02m. to £0.75m. in the first half. Turnover in the year fell from £15.2m. to £13.2m.

After tax of £1,322m. against £0.70m. and a loss of £2,086,641 on the sale of m.v. Teakwood there is a deficit of £1,133,162 compared with profits of £865,394 for 1974.

The net loss for 1975 is stated after allowing for profit on sales of vessels other than m.v. Teakwood of £1,333,768 and a release of provisions against investments of £28,075 (£108,376).

Earnings before the extraordinary loss are shown to be up from 2.88p to 4.1p per 30p share—after the loss there is a deficit of 3p per share. The final dividend is 1.03p net for a total of 1.305p against 1.519p.

comment
John I. Jacobs image as a shipowner underwent a considerable change during 1975 when the group sold off four of its six vessels. For a shipowner these sales must rank as extraordinary items and it is interesting that Jacobs has chosen to treat the loss resulting from the Teakwood sale in this way but not the profits deriving from the other sales. Excluding the latter, profits are 38 per cent. lower before tax at £906,000 with earnings per share down from 2.8p to 1.9p which leaves the dividend yielding 8.8 per cent. at 25p, covered just one-and-a-quarter times. The group's two remaining ships, the 23,200 dwt Hollywood and the 1,871 dwt Silvermerlin, are both working on profitable charters at present but the group is now leaning much more heavily for profits on its broking interests.

Profits from here must have been depressed last year, particularly since the broking side is largely involved with the tanker sector but the group's cash resources are very strong—following the recent ship sales they must be well in excess of £6m. compared with a market capitalisation of £5m.—and it now seems much better placed to survive the current shipping depression than most.

comment
The chairman, Lord Barmston, reports that turnover rose by over 10 per cent. to £35.49m., reflecting higher revenue from newspaper sales and advertising, but this was more than offset by cost inflation in wages and raw materials, the result being narrower margins.

At the year-end, cash resources amounted to £8,414,000. During the last few weeks of 1975, trading conditions showed a marked improvement. This upward trend has gathered momentum during the current year, members are told, and at the end of the first quarter profits are "significantly ahead" of the corresponding period of 1975.

comment
United Newspapers' margins continued to be eroded by cost last year with pre-tax profits down another 32 per cent. after the 24 per cent. decline in 1974; the group is now earning only half the profits it made in 1973 although turnover has risen by 20 per cent. The key factor in the industry now, however, is whether the prolonged decline can be arrested this year and for U.K. this is beginning to look possible. The "significant" profits improvement in the first quarter would help to offset the moderate paper price increases projected for May and although advertising volume remains static, revenue both from the display and classified areas has improved in the past nine months.

In the past 13 months, the pace of increases in wage and other costs has also slowed down and meanwhile, cash resources are not greatly reduced from the 1974 level of last year. The shares rose 4p yesterday to 285p to give a yield of 8.2 per cent. compared with a sector average of nearly 12.

comment
The group's turnover of IBM United Kingdom Holdings increased by 14.9 per cent. to £266m. in 1975. Orders did not match the previous year's figures, but revenue reflected a high level of installation of equipment, much of which had been ordered in 1974, the directors state.

Exports of goods and services rose to £178m. from £161m., with a slight improvement in export profitability. But the profit level on home sales was reduced by cost inflation which was not fully reflected in price increases.

Profit was £72m. compared with £60m. After tax of £41m. (£27m.), net profit was £31m. (£23m.). Investment in fixed assets totalled £30m. against £48m.

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Clark & Fenn hit by Swiss losses

SINCE MAKING the interim statement in December, investigation into the affairs of the Swiss operating subsidiary of Clark & Fenn (Holdings) has disclosed a serious position, reports the chairman Mr. C. C. Vandervell.

He points out that in January, 1975 the minority holders of the Swiss subsidiary, C. G. G. G. and Cie, exercised their put option and C. and F. acquired 100 per cent. control.

It is evident that the situation at G. G. G. G. has been affected not only by difficult conditions in the Swiss construction industry but also, and "more seriously," by a breakdown in control and accounting. The company has sustained a trading loss of £175,000 for 1975 and losses of £335,000 have been disclosed in relation to prior years.

Investigations and projections indicated substantial losses continuing into 1976 and action has therefore been taken to divest C. and F. entirely of this company by the sale of the busi-

ness for a nominal sum effective from January 1, 1976.

Under the terms of the sale an additional payment could be received in the event of G. G. G. G. returning losses lower than projected for 1976 and C. and F. will benefit from any profits earned for the three years following.

There are, therefore, no more losses to come and something "may even be recouped."

Since the company has now been sold the losses of £475,000 for 1975 have been treated as a non-recurring item while the prior year losses of £335,000 have been charged direct to reserves.

Clark & Fenn was advised in the matter by Charterhouse Jephcott.

Meanwhile the other European investment, the French company Praxipart SA, in which C. and F. now has a 20 per cent. holding, had a "most encouraging year" and showed net earnings of £24,000 attributable to the equity stake.

The U.K. companies had an "excellent" year despite the cur-

rent problems in the construction industry generally and achieved a record pre-tax profit of £1,173,000 (£930,000).

Stated earnings per share for 1975 before dealing with the Swiss losses are 11.91p and after dealing with the unrecovered losses, 8.30p (net earnings 8.54p before adjustment for overstatement of Swiss profits).

As previously announced, it is intended to make a final dividend payment of 1.217p per share making a total of 2.217p (£0.33p) net per 25p share.

The chairman reports that the current year in the U.K. has begun well, the forward order books are healthy and the group is generating a strong cash flow. At March 19, 1976, aggregate net cash balances were in excess of £1m., although a large part of this is earmarked for investment and loan repayments in 1976.

It is too early to forecast the overall results for 1976 but there is every indication that they will be satisfactory, says Mr. Vandervell.

Stone-Platt up 39%

AFTER substantially higher interest charges, pre-tax profits of the Stone-Platt Industries group went up by 39 per cent from £8,02m. to £11,14m. for 1975, obtained from net sales up by 42 per cent to £138.74m.

The 1975 figures include £3.3m. sales and £331,000 profit, before interest and tax, of the acquired Ernest Scragg group for the quarter to December 31.

Last September, reporting first half profits up from £2.7m. to £4.13m., the directors said they expected the full year profit to show a significant improvement over 1974.

Pre-tax earnings per 25p Ordinary share for the year are shown at 31.7p against 25.1p after allowing for the increase in the weighted average of units in issue consequent upon the acquisition—stated earnings after tax were 17.8p against 16.1p.

The final dividend is the indicated 1.217p, taking the net total from 2.7600p to a maximum permitted 2.9412p, payable on capital increased under the Scragg acquisition.

There are extraordinary credits of £1.9m. (£2.5m. debits)—they include £1.5m. arising from the acquisition of Scragg and £0.3m. from exchange rate changes.

The directors point out that the group has again achieved improved results in spite of inflation and a world-wide recession. Although inflation is now moderating and some markets are showing signs of recovery, the pace of recovery is still slow, they add.

The order book is not as high as a year ago and it may be some

time yet before customer investment decisions leading to firm orders are taken.

Acquisitions and new investments made in 1975 will assist progress in 1976, but it is still too early in the year to make any firm forecast about future results, the directors say.

Unexecuted orders at the end of 1975 totalled £11m.

AN ANALYSIS OF PROFIT BEFORE INTEREST AND TAX, BY DIVISIONS—

| | 1975 | 1974 |
|------------------------------------|-------------|-------------|
| Pre-tax profit | 11,140,000 | 8,020,000 |
| Interest payable | (1,450,000) | (1,200,000) |
| Profit before tax | 9,690,000 | 6,820,000 |
| Income tax | (1,500,000) | (1,200,000) |
| Profit after tax | 8,190,000 | 5,620,000 |
| Dividends | (1,217,000) | (1,217,000) |
| Profit available for appropriation | 6,973,000 | 4,403,000 |
| Dividends paid and proposed | (2,217,000) | (2,217,000) |
| Retained profits | 4,756,000 | 2,186,000 |

Gold Fields Half-yearly Statement

The unaudited results of the Group for the half-year ended 31 December 1975 are shown below together with the corresponding figures for the half-year to 31 December 1974 and those for the whole year to 30 June 1975.

| | Half-year to 31.12.75 | Half-year to 31.12.74 | Whole year to 30.6.75 |
|---|-----------------------|-----------------------|-----------------------|
| Net revenue of: | | | |
| Construction materials companies | 5,889 | 2,727 | 2,182 |
| Industrial and commercial companies | 5,889 | 2,452 | 10,316 |
| Mining companies | (393) | 9,535 | 13,237 |
| Dividends on investments | 7,479 | 8,490 | 18,550 |
| Profit on realisation of investments, less unrealised depreciation | 2,717 | 1,394 | 7,083 |
| Fees and sundry revenue | 4,642 | 4,209 | 7,666 |
| Administration, technical and general expenses | (25,919) | (36,390) | (70,092) |
| Interest on loan capital | (4,882) | (3,536) | (8,700) |
| Exploration expenditure written off | (1,544) | (1,773) | (3,598) |
| Share of profit of associated companies | 14,691 | 27,082 | 50,719 |
| Profit before taxation | 5,943 | 8,614 | 15,572 |
| Estimated taxation: | | | |
| Group | 11,570 | 14,071 | 20,988 |
| Associated companies | 550 | 494 | 1,433 |
| Net Profit | 8,714 | 19,231 | 44,926 |
| Attributable to outside shareholders | (391) | 4,591 | 7,549 |
| Extraordinary item less taxation | 7,195 | 14,700 | 37,381 |
| Net profit attributable to the Shareholders of Consolidated Gold Fields Limited | 7,195 | 14,700 | 37,381 |
| Earnings per share (Based on the average issued Ordinary share capital) | 5.91p | 13.44p | 38.61p |
| * Adjusted in respect of the rights issue in 1975. | | | |

GROUP PROFIT

In his annual Review in November, the Chairman indicated that a decline in earnings was expected in the current year, following the devaluation of the Rand and the effects of the general recession on many base metal prices. In the event, Group profit before taxation for the half-year ended 31 December 1975 amounted to £19,134,000, representing a decrease of £14,572,000 compared with the corresponding period in the previous year.

Net revenue of the construction materials companies was more than doubled at £5,889,000 due mainly to the improved results of Amey Roadstone Corporation's aggregate and concrete divisions. Given the serious recession which has been experienced by the construction industry these results must be considered most satisfactory.

Industrial and commercial companies' net revenue at £4,889,000 showed a decrease of approximately £4 million of which the major part was attributable to lower earnings by Axon Corporation. The recession in the United States of America affected the construction industry particularly and Axon's steel manufacturing and distributing divisions suffered from an abnormally low order book. In the United Kingdom, Alumax's earnings were adversely affected as a result of lower turnover.

The mining companies' operations resulted in a loss of £302,000 representing an adverse swing of approximately £10.1 million. Just over £9 million of this downturn was attributable to the Group's Australian mining companies, which, due to a combination of circumstances, are facing a difficult year. The copper mines, Mt. Lyell and Gunpowder, incurred significant losses due to increased costs and depressed metal prices; additionally, the former was unable to repeat the profitable forward selling policy which had a marked effect on its results in the previous period. Renison's earnings were badly affected by export quotas imposed by the International Tin Council and by reduced domestic consumption. Mt. Goldsworthy's results were affected by lower shipments and increased costs. A loss was also incurred by the Wheel Jaze mine in Cornwall, mainly due

to the lower tin price and disappointing Dividends on investments, at £7,479,000 lower by approximately £2 million mainly to a reduced distribution by the pit companies and the devaluation of the African currency in September 1975.

Profit on realisation of investments, charging £2,717,000 (last year £3,779,000) respect of unrealised depreciation, amounting to £2,717,000 which was approximately twice for the corresponding period in 1974.

The Group's share of profit of the associated companies amounted to £14,691,000 of the major part related to its 49 per cent interest in Gold Fields of South Africa. Income from gold investments was mainly the profits of that company were after adverse share market conditions through the period, together with a loss on the industrial subsidiary.

The total taxation charge, at £12,444,000, absorbed an exceptionally high proportion of the profit. This mainly arises from the fact that no part of the investment depreciation available for tax relief had been realised out losses on Group operations, mainly in Australia, also provide no immediate tax relief.

INTERIM DIVIDEND

The Directors have declared an interim dividend of 5.91p per share (representing an increase of 10 per cent over that for last year) on 21 May 1978 to Ordinary Shareholders registered at the close of business on 23 March 1978.

OUTLOOK

In the light of current economic uncertainty the Directors do not think it prudent to make a forecast for the year ending 30 June 1976. Nevertheless, profit before taxation for half-year to 30 June 1976 is expected to be better than that for the half-year under review and it is the Directors' present intention to recommend a final dividend of 10 per cent more than that of last year, representing maximum permitted under the Companies Act 1947.

By Order of the Directors,
J. R. STEWART

23 March 1978

Consolidated Gold Fields Limited

49 Moorgate, London EC2R 8BQ.

The Associated Portland Cement Manufacturers Limited



BLUE CIRCLE GROUP

The Board of Directors of The Associated Portland Cement Manufacturers Limited announce the following consolidated figures for the Group for the year 1975, subject to completion of audit, with comparative figures for 1974:—

| | 1975 | 1974 |
|-------------------------------------|--------|--------|
| Turnover | £286.1 | £213.3 |
| Profit before taxation | 42.5 | 22.5 |
| Taxation | 22.4 | 11.5 |
| Profit after taxation | 20.1 | 11.0 |
| Interest of minority shareholders | 3.5 | 2.8 |
| Profits available for appropriation | 16.6 | 8.2 |
| Dividends paid and proposed | 6.2 | 5.7 |
| Retained profits | 10.4 | 2.5 |
| Earnings per £1 Ordinary Stock Unit | 20.5p | 10.1p |

The Board propose to recommend a final dividend of 5.254 per cent. on the Ordinary stock of the Company in respect of the year ended 31 December 1975, which together with the interim dividend of 2.35 per cent. makes a total dividend for the year of 7.604 per cent., being the maximum permitted under current Counter Inflation Legislation.

While profits are substantially above 1974 this was a particularly depressed year. Profits available for appropriation at £16.6m. compare with £15.5m. available in 1973. In the United Kingdom there has been a sharp recovery in trading profits mainly due to cost savings and more realistic selling prices. Home deliveries of cement fell by 4.7% to 10.5m. tonnes and exports by 23% to 0.7m. tonnes.

Overseas, profits of subsidiaries and associates continue to show an overall improvement compared with the year 1974. In South Africa, Blue Circle Cement Ltd. has a full year's benefit of its controlling interest in Hubert Davies & Co. Ltd. In Nigeria, West African Portland Cement Co. Ltd. ceased to be a subsidiary in July 1975 following the taking up by the Federal Government of additional Ordinary Shares and the appropriate proportion of West African Portland Cement Co. Ltd.'s profits for the year, before tax, has been included in the share of profits of associates.

The charge for Taxation for 1975 consists of £11.3m. Corporation Tax, £3.3m. Overseas Tax, £6.1m. Associates and £1.7m. Equalisation.

The Group depreciation charge amounts to £20.0m. (1974 £17.6m.). The depreciation charge for the Company includes £4.1m. (1974 £1.3m.) being the additional depreciation for the year required to take account of the increase in fixed asset replacement costs from the date of the last valuation to the mid point of 1975.

The Annual Report and Accounts will be despatched to stockholders on 12 April 1976 and the Annual General Meeting will be held on 6 May 1976. The proposed Final Ordinary Dividend, if approved, will be paid on 17 May 1976 to stockholders on the register at the close of business on 20 April 1976.

H. W. R. Ham,
Secretary.

Portland House,
Stag Place,
LONDON SW1E 5BJ.
23 March 1976

Brown Bros. reaches its target

FOR 1975, profits of Brown Brothers Corporation are on target at £1.66m. and show an advance of 43 per cent. over the previous year. Continued progress was made in the second half, with further significant improvement in the financial position, including overdrafts virtually halved to £1.8m.

Earnings are shown at 1.78p (1974 last year 1.31p) fully diluted) per 10p share. The final dividend is 0.4p for a net total of 0.6p against 0.3p.

The group is engaged in motor component distribution and engineering. The Dana Corporation, of the U.S., has a controlling interest in the company.

| | 1975 | 1974 |
|-------------------|---------|---------|
| Turnover | £1.194 | £1.173 |
| Trading profit | £1.66 | £1.16 |
| Interest paid | (£0.10) | (£0.10) |
| Profit before tax | £1.56 | £1.06 |
| Taxation | (£0.10) | (£0.10) |
| Minorities | (£0.10) | (£0.10) |
| Extra-ord. debits | (£0.10) | (£0.10) |
| Unrealised | (£0.10) | (£0.10) |
| Dividends | (£0.10) | (£0.10) |
| Retained | (£0.10) | (£0.10) |

At end 1975, net current assets were £4.63m. against £4.01m. debtors were reduced to £7.43m. (£8.03m.) and overdraft £1.8m. (£3.94m.). This has resulted in an improvement in the debt/equity ratio from 108 per cent. to 59 per cent.

The company is planning a very substantial increase in turnover and profits in the years to 1980.

The subsidiary imports electrical goods from behind the Iron Curtain, including refrigerators from Siberia. It will in May be sounding out the U.K. market for Russian freezers and twin-tub washing machines.

comment

Brown Bros. trading picture has remained strong during 1975 with a full year sales rise of 11 per cent., following a 17 per cent. rise at the interim stage, leaving trading profits just 5 per cent. ahead. But the group has cut back working capital requirements by £1.4m. (thanks in the main to a £1.2m. increase in creditors' (stemming from extended credit/promotional deals with manufacturers). As a result, bank overdrafts are £2m. lower and a 37 per cent. drop in interest charges has jacked up pre-tax profits by 43 per cent. in line with the January forecast. The group intends to squeeze a little more cash out of working capital this year but the present drift of policy is to increase margins by developing the motor trade content of distribution activities (at present 64 per cent.) still further, incorporating more own brand products. The trading links with Dana Corporation, now the majority shareholder, remain unquantified at this stage, although the group is talking of "substantial" overall profits growth in the years to 1980. The shares edged up higher to 15.1p last night, where a p/e of 8.5 and a yield of 6.2 per cent. leave little scope for short-term enthusiasm.

Progress at AB Electronic

PROFITS before tax of AB Electronic Components improved from £138,229 to £169,313 in the 27 months ended January 9, 1976, with stated earnings per share up from 2.5p to £2.2p. For the previous year pre-tax profits were £379,205 and earnings 6.7p.

The net interim dividend is again 1.05p and the directors anticipate a total of 4.10p for the year—the same as in 1974-75.

They report that unit sales were substantially lower than for the corresponding period but, due to inflation, turnover was approximately the same. The slight increase in profitability is a reflection of increased operating efficiency and continued tight control of overheads.

The second half has started with an exceptionally low level of demand, resulting in short-time working for many employees.

The group has, however, remained profitable in spite of increased wages and other rising expenses and there are now encouraging indications of an improvement in business in national sales.

Much progress has been made in reducing reliance on any one

sector of industry, the directors say. Many new components are being developed for the automotive, gas and other industries which will enhance business prospects as the economy improves.

Cash flow from high depreciation and other sources is contributing an adequate liquidity position and to the maintenance of appropriate dividend payments in spite of the cyclical nature of the industry, members are told.

Mid-term improvement at Ricardo

Pre-tax profit of Ricardo and Co. Engineers (1927) finished the six months to December 31, 1975, up from £153,921 to £173,946.

Earnings per 25p share are given at 8.8p, compared with 8.3p and the interim dividend is held at 1.875p net. Last year, from profits of £340,146, a total payment of 3.3175p was made.

Chairman, Mr. J. H. Pitchford reports that the world situation has changed little in the past year in so far as it affects the internal combustion engine industries, "although there may now be a glimmer of light ahead." The company has managed to maintain its position and, as the hopes for improvement develop, it will be "well placed" to take advantage.

The British Bank of the Middle East

A member of The Hongkong Bank Group

"Trade recession unknown: record results"

Highlights from the Statement by the Chairman, Mr. Angus Macquieen.

1975 Results and Capital Changes

Issued Capital has been increased from £15 million to £17.5 million. The published profit after tax amounts to £4,512,098 as compared with last year's figure of £2,214,150, but this improvement must be related to some extent to the changed capital basis; the Issued Capital was £5 million for most of 1974.

The major part of our earnings continued to be derived from our expanding commercial banking operations in an area largely unaffected by world recession. Most of our branches produced increased profits in spite of a much more competitive banking climate.

Balance Sheet

At 31 December 1975, the total of Issued Capital, published reserves and Profit and Loss carry forward shows an increase of £6,012,098 for the year.

Middle East Oil: Finance and Politics

1975 saw no startling economic changes. The price of oil was raised again in September but the increase was about the same as the rise in the price of manufactured goods. The transfer of wealth from consumers to producers continued on a vast scale, with the Middle East thus becoming one of the most attractive areas in the world for Western exporters and expert advisers.

The relaxation of economic tensions was accompanied and assisted by continuing political stability, with the cruel exception of Lebanon, where we and some of our customers have suffered loss in the looting and burning of our main office in Beirut.

Disposition of the Bank's resources

The policy of the Bank is to employ as large a proportion of its funds as possible in the areas from which they emanate. Our lending continues to be regulated by the application of prudent banking principles to the nature and terms of the funds deposited and currency of the deposits, having regard also to political and economic circumstances.

It gives us much satisfaction to feel that our contribution is playing a significant role in facilitating and promoting international participation in the territories in which we operate.



United Kingdom
Middle East
North Africa
India
Switzerland

Head Office
20 Abchurch Lane, London EC4N 7AY.
Tel: 01-623 2030

The Chairman's Statement is contained in a Report and Accounts booklet obtainable from the Secretary at Head Office.

Y J LOVELL (HOLDINGS) LIMITED

MAIN GROUP ACTIVITIES: Building, Residential and Commercial Developments, Plant Hire, Timber Importing and Merchandising

Ahead of Target—and Confident

SUMMARISED RESULTS

| | 1975 | 1974 |
|--|---------|---------|
| Group Turnover | £39,515 | £35,945 |
| Trading Profit before Taxation | 1,362 | 1,263 |
| Profit after Taxation | 649 | 504 |
| Ordinary Dividend 2.11p per share | 117 | 117 |
| (Includes maximum permitted increase of 10%) | | |
| Earnings per Ordinary share | 10.7p | 9.6p |
| Dividend Cover for Ordinary shares | 5.0 | 4.2 |

Extracts from Address to Shareholders by Chairman, Mr Peter Trench

"... It was not an easy year for anybody but, because of our policy of diversification, we turned in a respectable profit only once exceeded in the long history of the Group."

"... The year saw two major strategic decisions. First to operate overseas—and to do so on a permanent basis. The second, despite gloomy prognostications, to reinforce partly by acquisition those of our business activities at home where we had financial proof of a particular commercial expertise."

"... Despite all the economic uncertainties, it would be foolish not to take advantage of commercial opportunities when they present themselves. It is for this very purpose that we have been harbouring our financial resources. Nevertheless, we have no intention of sacrificing long-term profitable growth on the altar of short-term expediency."

Lovell

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Halcyon days at Bayernverein

BY NICHOLAS COLCHESTER

RONN, March 23.

THAT 1975 was a most profitable year for the banking industry in West Germany is underlined today by the results of the Bayerische Vereinsbank, the largest publicly quoted commercial bank after "the Big Three". The bank boosted its after tax profit by 28 per cent. to DM72.6m. and has decided to raise its dividend from DM9 to DM10 per DM50 share.

The increase in after tax profit does not do justice to the bank's success last year, because much was done for reserves and risk provision on the way to the bottom line. Pension reserves, for instance, were stocked up by DM37.8m. to DM146m. in line with new Government regulations. The management insists, however, that the doubling of the bank's tax bill in 1975 to DM59.9m. was not indicative of a covert doubling of profit.

The year's success owed more to interest rate margins and service income than to growth in business volume. The balance sheet total of the Bayerische Vereinsbank grew by 12.7 per cent. to DM258.79m. but this was mainly due to the bank's mortgage business and to the powerful inflow of savings money which occurred right across West Germany last year. In banking business customer deposits grew by 7.7 per cent. to DM13.11m. while credit to customers increased by 7.5 per cent. to DM3.5m.

At the same time interest rate differential income rose by 12.4 per cent. to DM498m. while service income climbed by 22.2 per cent. to DM102m. The latter increase was due to increased participation in consortium loans and growing involvement abroad.

Moulinex profits jump

BY RUPERT CORNWELL

PARIS, March 23.

THE FAST-GROWING French domestic appliance manufacturer Moulinex today reported a rise of almost one-third in parent company net profits for 1975. It plans an unchanged dividend of Frs.2.00 per share, but on a capital expanded by Frs.13m. from 1974.

Net earnings rose last year to Frs.67.3m. or Frs.81.7m. on an adjusted basis, nearly 33 per cent. higher than the Frs.45m. achieved in 1974.

The figure was reached after depreciation charges of Frs.30m. compared with Frs.75m. in 1974. It does not however take into account the distribution of a total Frs.28m. of profits to the group's personnel.

Gross cash flow also showed a healthy rise of some 13 per cent. to Frs.202m. from a year earlier, representing about 17 per cent. of 1975's turnover of Frs.1.2bn.

Nippon Steel in aluminium study

TOKYO, March 23.

NIPPON STEEL Corporation said it has been asked to participate in a proposed new aluminium refinery in Japan, the Mitsubishi Light & Chemical Co. Ltd. NSC said that it will study the proposal from the Mitsubishi group which plans to set up the new company to take over the aluminium division from Mitsubishi Chemical Industries, America's Kaiser group and one of the present five major aluminium smelters in this Reuter

Sharp fall in output puts Cockerill deep in the red

BY DAVID CURRY

BRUSSELS, March 23.

COCKERILL, which produces around 35 per cent. of Belgium's steel, plunged nearly B.Frs.40m. (150m.) into the red last year as output slumped in its Belgian and French plants to 4.8m. tonnes against 6.625m. in 1974. Output the previous year was also badly disrupted by strikes. This year, with Belgian steel output still running 23 per cent. down on the same period 12 months ago, Cockerill looks forward only to a timid recovery.

The loss takes into account income from sales of assets and portfolio holdings during 1975, including the B.Frs.1.13m. (43m.) received from the sale of Cockerill's remaining 22 per cent. stake in the coastal steel-maker Sidmar to the Luxembourg company Arbed which itself has turned in losses of more than B.Frs.30m. for 1975. Depreciation in 1975 was B.Frs.1.329m. against

B.Frs.5.52m. the previous year. Cockerill has limped through the year suffering from sharp increases in raw materials (around 47 per cent. from 1974) and coke (up some 40 per cent.) and wage costs (some 17 per cent.). Selling prices for its products have been as much as 40 per cent. below the best 1974 levels and the competition from non-EEC producers, particularly Japan, Spain and Eastern Europe, has hit Cockerill particularly hard because of its company's restricted home market and consequent heavy dependence on exports.

While resorting to extensive short-term working the company has got through the year without dismissing workers. European steel companies, many do not have the freedom to hire and fire which their American counterparts enjoy because of the heavy political hand on their

activities while Cockerill, in formed between German, Dutch and Luxembourg producers. The Luxembourg participant, Arbed, took Sidmar, its Belgian subsidiary into the group which consisted of companies which looked to Germany as their major market and had German stakes. This left Cockerill and the smaller Walloon producers alone in the cold amongst the Benelux producers, the strong implication being that they should develop their destiny in common with French steel producers.

However, the German group still needs the blessing of Brussels' commission and may not eventually take the shape originally envisaged. Furthermore, the Walloon industry and the French and Luxembourg industries are still linked by important common shareholdings, notably the leasing stakes held in both Cockerill and Arbed by Societe Generale de Belgique and the strong Empain holding in Arbed and the French

TDK comes courting

FROM AN average of 1.1 per cent. in the first half of 1975, TDK's share price has risen to 1.2 per cent. by the end of the year. However, TDK's share price has risen to 1.2 per cent. by the end of the year. However, TDK's share price has risen to 1.2 per cent. by the end of the year. However, TDK's share price has risen to 1.2 per cent. by the end of the year.

Recovery forecast for PLM

BY WILLIAM DUFFORCE

STOCKHOLM, March 23.

IN THE final annual report to shareholders for 1975 management director Gif Laurin forecasts a profit recovery for PLM. Swedish packaging and waste treatment concern, during this year. He anticipates pre-tax earnings of at least Kr.65m. (177m.) and a 7 per cent. increase in turnover to Kr.1.58bn. (4212m.). Net earnings per share are expected to reach Kr.13. an improvement of 30 per cent.

The forecast compares with a pre-tax figure of Kr.48.5m. for 1975, a year in which earnings tumbled from the high level reached the previous year. Net earnings per share fell from Kr.22 to Kr.10, while the return on capital employed dropped to 1.3 per cent. from 15.3 per cent. which Mr. Laurin described at the time as meeting the management's long-term target.

The final report attributes the 1975 earnings setback to the general economic recession, which resulted among other things in a drop in stock profits from Kr.315m. to Kr.78m. and to the accelerating decline in sales by the glass division, where a 1974 pre-tax profit of Kr.12.5m. was changed into a Kr.3.4m. loss.

The glass division's problems arise from the collapse in demand for disposable bottles, due at least in part to pressure from the environmental lobby. At the end of the year PLM decided to close down its glass works at Sarte over a period of two to four years. Listed as an extraordinary item in the final accounts is depreciation of Kr.9.7m. on the works, which would effectively cut the company's 1975 pre-tax earnings to Kr.38.8m. compared with Kr.118.3m. in 1974.

PLM has expanded out of the Swedish packaging market, (which now accounts only for just over one-third of its trading) by penetrating the northern EEC

Allied and Cadbury join the rights issue lists

BY JAMES FORTH

SYDNEY, March 23.

TWO MORE Australian companies, Allied Mills and Cadbury Schweppes, have joined the rapidly swelling list of groups making cash issues. Cadbury Schweppes, local offshoot of U.K. confectioner, is seeking a \$2.7m. while Allied Mills, a manufacturer of soft drinks, will raise \$2.5m. The latest approaches swell the total which companies will pull out of the sharemarket to more than \$150m. since the start of February.

The line-up includes Leighton Holdings, Thales, Pioneer Concrete, Woodside-Burnham, Blue Metal Industries, LNC, David Jones, Hooker Corporation, Australian Guarantee Corporation, Chamberlain, General Property, White Industries, J. Blackwood and Brambles.

Cadbury Schweppes is offering shares at \$1 each on the basis of one for every five held. The U.K. parent will subscribe for its 61.4 per cent. entitlement which will cost it \$4.27m. Of this, \$2.5m. will come from the \$2.7m. deposited locally in 1972.

The remaining \$1.2m. from the parent will come from the U.K. Cadbury chief executive, Mr. M. B. Clifford said the deposit was made initially in anticipation that a rights issue might be forthcoming and that increasingly

Recovery Bradmill Industries

SYDNEY, March 23. BRADMILL INDUSTRIES, large textile group, is strong recovery in the U.K. half year, boosting its sales from \$483.6m. to \$523.3m. result of a 4 per cent. increase in the entire year and puts the company on the way to top \$500m. profit of 1975-76. Sales rose 21 per cent. six months to \$483.6m. suit reflects a return to full utilisation of the group's plants and more stable market conditions, partly laid by current Government policies.

Bradmill's liquid position, described as "sound", were being carefully watched and orders on hand were factored. The interim dividend is edged up from 2 cents to 2.5 cents. Last year it paid a final 3 cents.

Statsfoeretag floating Fls.75m. bond issue

BY WILLIAM DUFFORCE

STOCKHOLM, March 23.

STATSFÖRETAG, the Swedish State holding company, is floating a Dutch guilders 75m. bond issue on the Dutch capital market. It will be a private placement led by Rabobank with Hambros and Sweden's State-owned PK bank acting as co-managers. The team will be 15 years but, according to Statsfoeretag, the coupon has not yet been fixed.

The proceeds are not earmarked for any specific purpose, but will go to meet the investment and working capital needs of the 30 companies in the Statsfoeretag group, which have capital investment plans involving an expenditure of Kr.5.5bn. (\$850m.) during the four-year period 1976-1979. The group's total capital needs during the period are put at Kr.11.5bn. (\$1.35bn.).

Statsfoeretag has been steadily expanding its foreign borrowing under government encouragement. Since the beginning of 1975 it has already taken up bond issues of 20m. units of account, \$30m. Swiss Frs.30m. and a \$20m. medium-term loan.

Saga comes to market

SAGA PETROKEM, petrochemicals subsidiary of Norway's Saga Petroleum, has raised a \$33m. seven-year loan on the Eurocurrency market to help finance its participation in the petrochemicals complex being built at Bamble, East Norway, where its partners are the State-controlled Norsk Hydro and Statoil, Norway's State oil company, writes Fay Gjester from Oslo.

The loan, signed yesterday in Oslo, has been arranged jointly by the Chase Manhattan Bank and Den Norske Creditbank, with the participation of 11 other banks. It is a multi-currency loan, denominated in U.S. dollars, and terms are 11 per cent. above London Inter-Bank Rate.

Saga Petroleum's total commitment to the Bamble project is estimated at some Kr.350m. (\$77.3m.), of which about Kr.350m. will be provided from equity. The rest will be borrowed in Norway and abroad.

Far East stock exchanges oppose merger proposals

HONG KONG, March 23.

A FAR EAST stock exchanges in finding premises for a unified exchange.

The exchange is still open to negotiation and aims to be constructive by making its own suggestions, he said.

A spokesman for the Hong Kong Stock Exchange said while some members opposed the merger proposals at a meeting last week, the exchange is still receiving the written views of members, including those not at the meeting and is not yet in a position to give the overall opinion.

A Securities Commission spokesman said the Commission has received negative replies on the proposals in its discussion paper from the Hong Kong and Kowloon stock exchanges.

The replies did not contain alternative suggestions on the merger question, he said.

The Commission aims to hold a further meeting with representatives of the four exchanges when all four have submitted their views on the paper.

Upsurge Kiwi Internat

SYDNEY, March 23. KIWI INTERNATIONAL achieved its best performance in the February half when profit leapt from \$A to \$A27,000. Sales rose 10 per cent. from \$A19m. to \$A27m. The interim dividend is edged up from 2 cents to 2.5 cents. Last year it paid a final 3 cents.

Japanese bond rules

TOKYO, March 23.

JAPANESE UNDERWRITERS and banks have relaxed restrictions on Japanese companies' notations on the domestic capital market to try to reduce companies' interest in overseas fund raising centres, the underwriters association said.

The old rules downgraded or suspended from borrowing companies which reported deficits before tax and special items in figures adjusted for the recent rights issue. The total dividend distribution rose 39 per cent. over 1974.

Jardine goes ahead

CONSOLIDATED net 1975 profit of Singapore \$10.3m. (S\$6.6m.) have been announced by Jardine Matheson and Co. (South East Asia). The dividend is 20c (18c).

Earnings per share are approximately 35c (30c), figures adjusted for the recent rights issue. The total dividend distribution rose 39 per cent. over 1974.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

| STRAIGHT | YIELD | PRICE | YIELD | PRICE |
|------------------|-------|-------|----------------------------|-------|
| Australia 1985 | 10.1 | 101 | CONVERTIBLES | |
| Canada 1985 | 10.1 | 101 | Amsterdamsche 4 1/2% 77 | 78 |
| France 1985 | 10.1 | 101 | Bank of Montreal 4 1/2% 77 | 78 |
| Germany 1985 | 10.1 | 101 | Bank of Montreal 4 1/2% 77 | 78 |
| Italy 1985 | 10.1 | 101 | Bank of Montreal 4 1/2% 77 | 78 |
| Japan 1985 | 10.1 | 101 | Bank of Montreal 4 1/2% 77 | 78 |
| Netherlands 1985 | 10.1 | 101 | Bank of Montreal 4 1/2% 77 | 78 |
| Spain 1985 | 10.1 | 101 | Bank of Montreal 4 1/2% 77 | 78 |
| Sweden 1985 | 10.1 | 101 | Bank of Montreal 4 1/2% 77 | 78 |
| Switzerland 1985 | 10.1 | 101 | Bank of Montreal 4 1/2% 77 | 78 |
| UK 1985 | 10.1 | 101 | Bank of Montreal 4 1/2% 77 | 78 |
| US 1985 | 10.1 | 101 | Bank of Montreal 4 1/2% 77 | 78 |

The Scottish Metropolitan Property Company Limited

| Interim Statement | |
|---|----------------------------------|
| Half year to 15.7.76 (unaudited) | Half year to 15.7.75 (unaudited) |
| Issued Share Capital | £5,424,862 £4,931,69 |
| Net Revenue from Properties, before Exceptional and Extraordinary Items | 1,184,462 1,031,39 |
| Other Income | 62,779 136,20 |
| Group Profit before Taxation, Exceptional and Extraordinary Items | 446,496 344,44 |
| Available for Dividend | 316,494 311,12 |
| Dividend - Interim | 216,994 197,26 |
| Earnings per Share | 7.17p 1.15p |

The Directors have declared an interim dividend of 0.8p per share (1975 - 0.73p per share) on an issued share capital of £5,424,862 (1975 - £4,931,692) as increased by the one for ten capitalisation issue in January 1976.

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY



STATE OF SÃO PAULO

U.S. \$300,000,000

MEDIUM TERM LOAN

MANAGED BY

CITICORP INTERNATIONAL BANK LIMITED

MANUFACTURERS HANOVER LIMITED

BANKERS TRUST INTERNATIONAL LIMITED
 COMMERZBANK AKTIENGESELLSCHAFT
 FIRST CHICAGO PANAMA S.A.
 BANCO DO ESTADO DE SÃO PAULO S.A., LONDON BRANCH
 NORDEUTISCHE LANDESBANK INTERNATIONAL S.A., LUXEMBOURG
 CANADIAN IMPERIAL BANK OF COMMERCE
 HYPOBANK INTERNATIONAL S.A.

CHASE MANHATTAN LIMITED
 EUROPEAN BRAZILIAN BANK LIMITED (EUROBRAZ)
 WELLS FARGO BANK, N.A.
 FIRST NATIONAL BANK IN DALLAS
 REPUBLIC NATIONAL BANK OF NEW YORK
 GIRARD TRUST BANK
 MIDLAND BANK LIMITED

AND PROVIDED BY

BANKERS TRUST COMPANY
 COMMERZBANK AKTIENGESELLSCHAFT
 FIRST NATIONAL CITY BANK
 WELLS FARGO BANK, N.A.
 BANCO DO ESTADO DE SÃO PAULO S.A., LONDON BRANCH
 NORDEUTISCHE LANDESBANK INTERNATIONAL S.A., LUXEMBOURG
 HYPOBANK INTERNATIONAL S.A.
 REPUBLIC NATIONAL BANK OF NEW YORK

THE CHASE MANHATTAN BANK, N.A.
 THE FIRST NATIONAL BANK OF CHICAGO
 MANUFACTURERS HANOVER TRUST COMPANY
 EUROPEAN BRAZILIAN BANK LIMITED (EUROBRAZ)
 FIRST NATIONAL BANK IN DALLAS
 CANADIAN IMPERIAL BANK OF COMMERCE
 GIRARD TRUST BANK
 MIDLAND BANK LIMITED
 TRADE DEVELOPMENT BANK

BANCO DO BRASIL S.A.
 BANCO DE BOGOTA S.A.
 NATIONAL CITY BANK, NASSAU
 CREDIT SUISSE, LONDON BRANCH
 THE FIRST PACIFIC BANK OF CHICAGO
 INTERAMERICAN BANK CORPORATION S.A., PANAMA
 KUWAIT PACIFIC FINANCE COMPANY LTD.
 NATIONAL BANK OF NORTE AMERICA, NASSAU, NASSAU
 SEAWAY BANK OF BOSTON N.A., NASSAU

KUWAIT INTERNATIONAL FINANCE COMPANY S.A.K. "KIFCO"
 BANCO REAL S.A.
 BANQUE INTERNATIONALE A LUXEMBOURG S.A.
 EURO-LATINAMERICAN BANK LIMITED - EULABANK -
 FORFAITERUNG UND FINANZ AG, ZURICH
 INVESTITIONEN-UND HANDELS-BANK AG, LONDON BRANCH
 THE MERCHANTS BANK OF CANADA
 NEDERLANDSE CREDITBANK N.V., AMSTERDAM
 SOFIS LIMITED
 WOZCHOD COMMERCIAL BANK LTD.

MANUFACTURERS HANOVER LIMITED

AGENT

FEBRUARY 27, 1976

Jardine Matheson

FINANCIAL TIMES SURVEY

Wednesday March 24 1976

OVERSEAS CONSTRUCTION

The severe problems of the construction industry in the U.K. are mirrored in practically every industrialised country in the world. Government cutbacks have hit a major section of the business in most countries. The Middle East and other oil-rich regions offer about the only lifeline available.

CURRENT recession in construction activity, which continues to affect a wide range of contractors, professions and building work have not so far been activated, while in Finland the slump in construction is expected to last at least until 1977.

There have been some exceptions, such as Norway, where the building sector enjoyed a healthy 1975, although even here the outlook this year is regarded as uncertain. Still, in Scandinavia, Sweden expects a moderate rate of expansion for construction output in contrast to the downward trend of the early 1970s. Perhaps one of the happiest exceptions is Italy, where, despite all the economic problems, proposed expenditure on public work is due to rise considerably this year and overall building output is likely to rise by as much as 7 or 8 per cent, compared with 1975.

Elsewhere in the world, the construction fraternity has met with mixed fortunes. In the U.S., the fall in construction activity has reflected the overall economic situation but there are now hopes of an upturn on the way, though precisely when no one will hazard a guess.

Japan

The bleak picture has also been repeated in Japan, where the rapid growth of recent years has established a building industry of international status but where current economic difficulties have again taken their toll of construction work. The domestic pattern of building work naturally varies quite widely between different

countries but it appears the general pattern has been one of declining industrial, commercial and public works, with housing output—as in the U.K. and Italy—often providing one of the few areas to lighten the gloom.

Not every nation, however, represents a dwindling market for contractors and it is indeed extremely fortunate that some established ideas and techniques have come in for a great deal of reappraisal.

Nowhere has the rethinking of traditional attitudes been more necessary than among U.K. contractors and it is to their credit that many have apparently adapted well to the new conditions which overseas operations impose.

It would, of course, be wrong to give the impression that foreign ventures are a new experience for all U.K. contractors and indeed some of them are among the best established and most respected operators in the markets which are now providing major opportunities for expansion.

While it may simply be that the vacuum, in terms of new work at home, has forced many builders to look overseas, there

is no doubt that British contractors of all shapes and sizes are approaching the challenge with considerable enthusiasm and not a little expertise and it is to be hoped that in their rush to obtain business abroad they do not underestimate the complexities and basic operational differences which new markets present. Competition for work is becoming intense

in the U.K. balance of payments in 1974-75, excluding materials, was over £200m. The latest estimates suggest that actual orders won during 1975 rose to nearly £1.5bn, and with some very large contracts recently announced, both by contractors and consultants, the omens for the present year seem good. Much of the increase in activity is clearly as a result

of efforts in the Middle East, although growing volumes of work have been coming from Africa and North and South America.

But despite the encouraging picture, there is nevertheless a general feeling—expressed at Government levels—that the industry could be capitalising to a far greater extent on its reputation for integrity and good workmanship.

The case for far more Government involvement in helping to provide an efficient intelligence network to identify opportunities for overseas work as well as resources available at home has been repeatedly pressed in recent years. Continuing pressure has, in this instance, paid off, and last year's announcement by the Department of the

Environment that an Exports Advisory Board was to be established represented official recognition that a greater, combined effort on the part of the industry and Government was perhaps overdue. The results of this new approach, already well developed in some countries, will be awaited with interest.

But there is only so much that can be done for the contractors in helping them secure new business—assistance such as that provided by the Export Credits Guarantee Department in the U.K. is proving invaluable—and a great deal ultimately rests on their own readiness to tackle new fields and new methods of operation. In this respect, the U.K. construction sector as a whole—there are some notable and very large exceptions—may not measure up to some of its competitors.

rightly raise a few horrified eyebrows but there must be a happy medium and, for the most part, U.K. builders and engineers have yet to demonstrate their readiness to join forces.

Here, the establishment of the Construction Exports Advisory Board may well prove a valuable stimulant. Its immediate task will be to advise on the selection and formation of consortia to undertake specific projects and, more generally, on ways in which additional resources within the construction industry and the professions can be harnessed to undertake overseas work. Such a body may well encourage many companies, with serious reservations about large overseas commitments, to step where they previously feared to tread.

There are some serious doubts about just how long the boom can last in some of the nations which are now pursuing ambitious development plans based on their new-found but potentially fragile wealth and some contractors have made it clear that they are not interested in becoming involved.

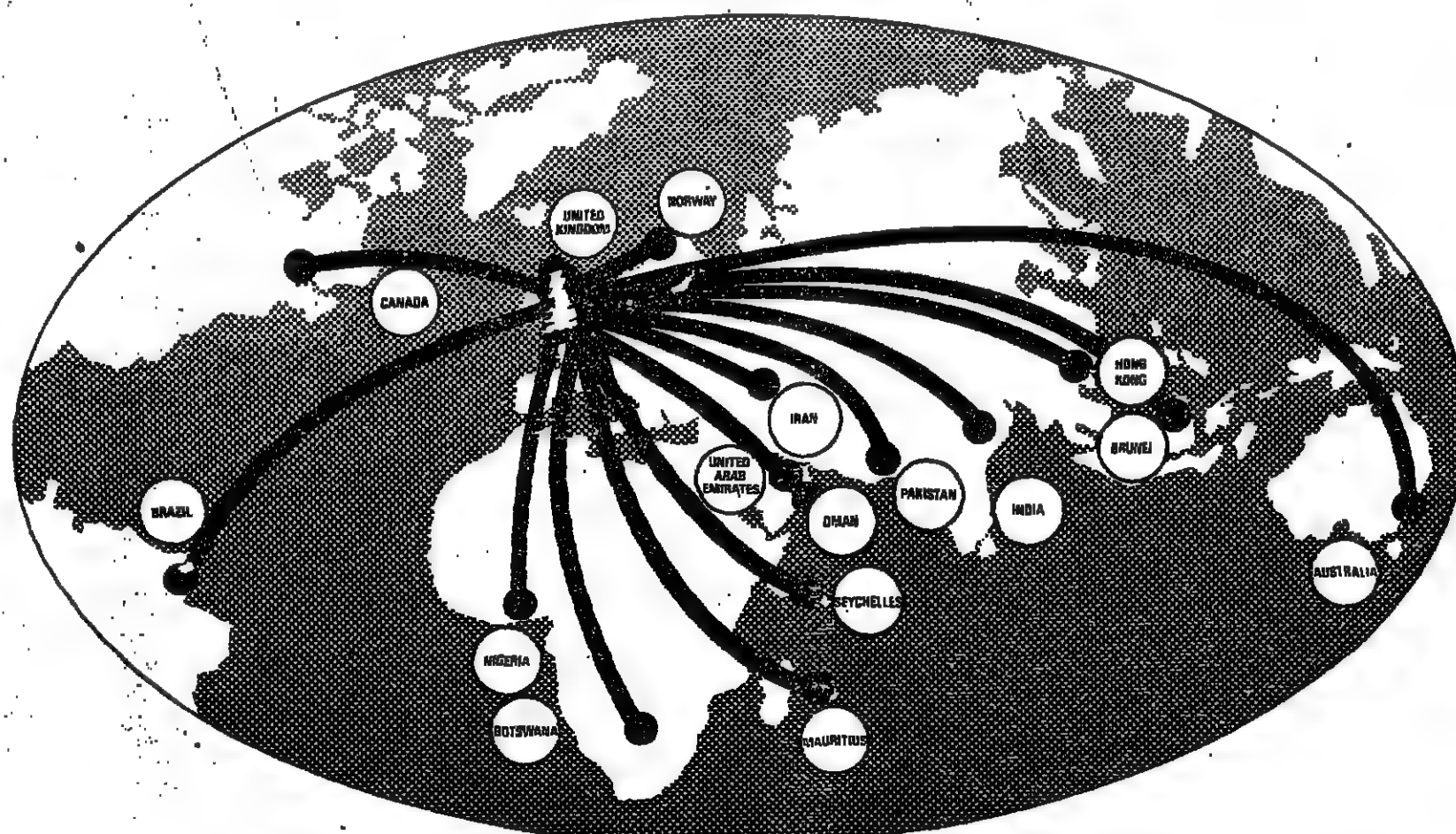
But, for the time being at least, a large proportion of the international construction world is focusing its attention on the developing nations at a time when it really has little choice. As a result the fight for business is gaining momentum and only those with a sound background knowledge of the markets they wish to penetrate and the ability to tailor their techniques and business methods accordingly can hope to make such ventures pay.

There are some serious doubts about just how long the boom can last in some of the nations which are now pursuing ambitious development plans based on their new-found but potentially fragile wealth and some contractors have made it clear that they are not interested in becoming involved.

Victim of world downturn

By Michael Cassell

Ambitious



Costain—Britain's top internationals



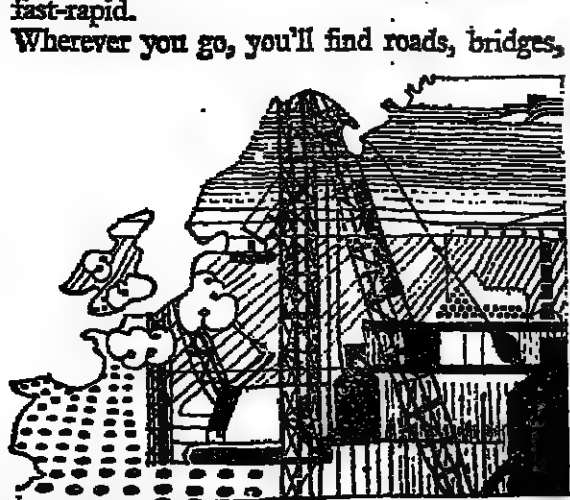
Construction world-wide

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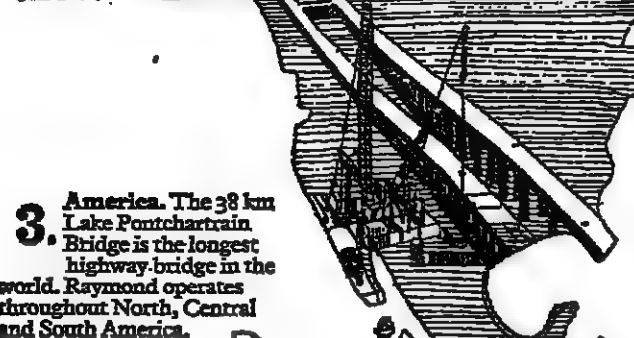
power stations, refineries and factories that have been built quicker and are lasting longer because of Raymond skill and know-how.



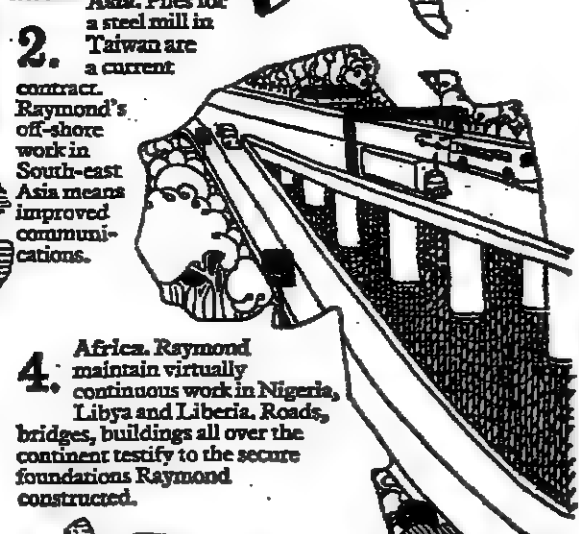
1. Europe. Raymond drove 18000 Step-Taper piles for a power station in England and finished 19 days ahead of schedule. Now they are carrying out an even bigger contract.



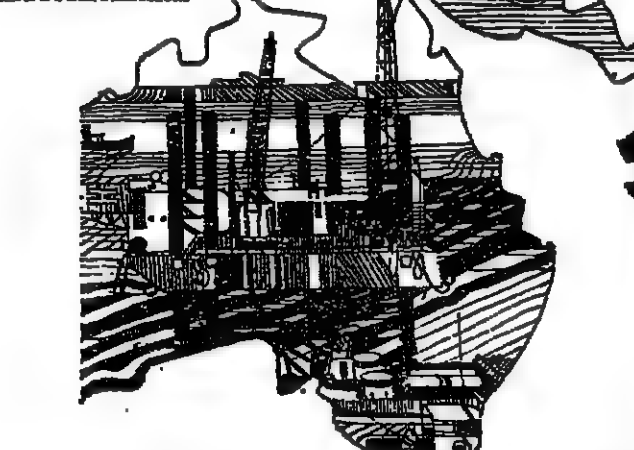
2. Asia. Piles for a steel mill in Taiwan are a current contract. Raymond's off-shore work in South-east Asia means improved communications.



3. America. The 38 km Lake Pontchartrain Bridge is the longest highway bridge in the world. Raymond operates throughout North, Central and South America.



4. Africa. Raymond maintains virtually continuous work in Nigeria, Libya and Liberia. Roads, bridges, buildings all over the continent testify to the secure foundations Raymond constructed.



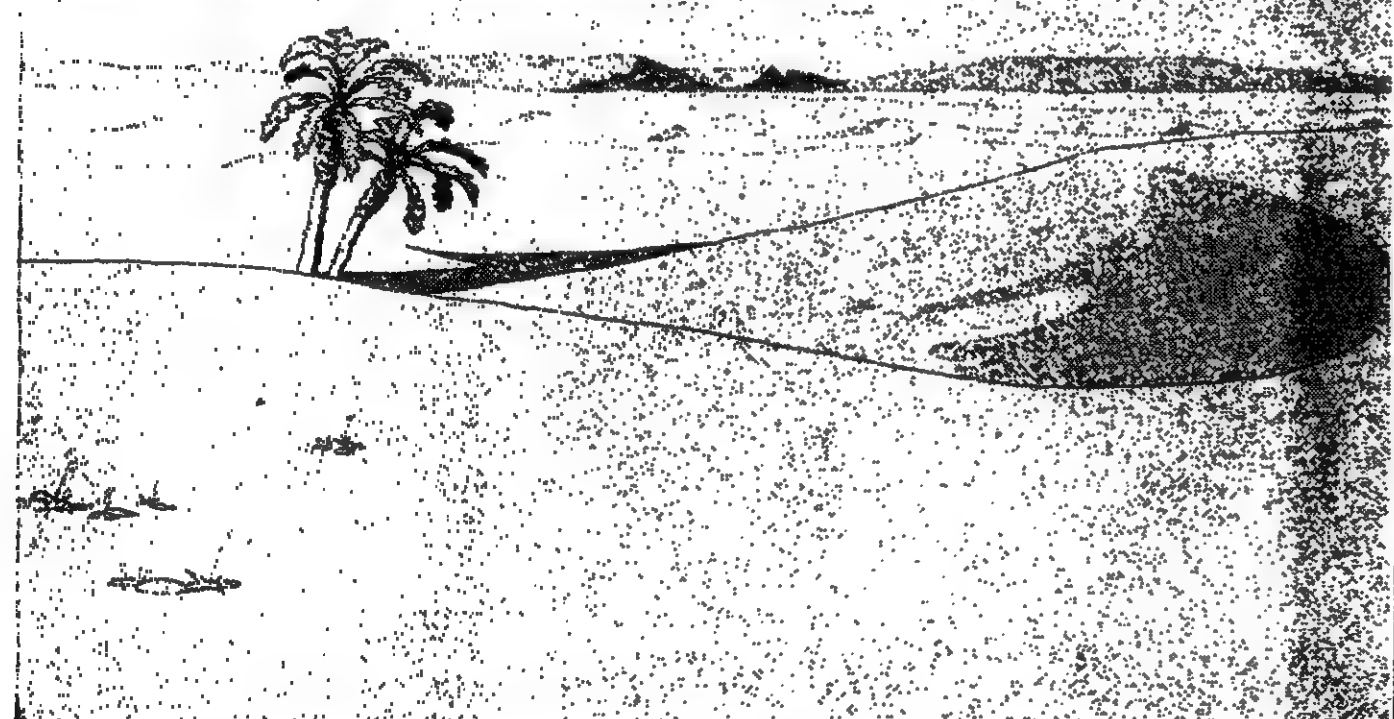
5. Australasia. A Raymond jack-up rig exploring for oil with Sun Marine Co. Raymond believe in the right equipment for each job. That means up-to-date technology and usually big rigs.



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OVERSEAS CONSTRUCTION II

World competition grows keener

BRITISH contractors are far from being alone in their efforts to secure work for themselves in markets around the world. While just a few years ago, many contractors felt no need or desire to search further afield than in their own or neighbouring countries for most of their work, the traditional pattern has now been upturned and the fight for business, where it can be found, has rarely been so intense.

A handful of major British construction companies have well established in markets throughout the world for many years and while the winning of contracts has never been an easy task, they have quickly come to realise that the challenge confronting them has taken on much greater proportions. In North America, Western Europe, Japan and Australasia workloads have been falling off and contractors from many nations have jumped at the chance to take on projects in countries which just a few years ago would have excited few people's imagination or interest but which today are supporting the type of public spending programmes that involve large volumes of potentially lucrative work.

Among the U.K.'s major competitors on the world contracting scene are the West Germans, offering a wide range of specialist contracting skills, the French, who have consistently found a reliable source of work in their ex-colonies, the Italians, renowned throughout the world for their tunnelling expertise, and the Dutch with their supremacy in dredging. The Eastern bloc countries, too, are beginning to look further afield for work and have even gone so far as to team up with foreign contractors to win work.

Beyond Europe, the Japanese are becoming a major force on the international construction scene and are now beginning to make their presence felt in the Middle East, where apparently every self-respecting contractor must now have at least one project under way. The Americans, too, faced with a big downturn in workloads at home, are stepping up their efforts overseas, notably in the Middle East.

Much attention is also being given to the growing markets in South America, parts of Africa and the Far East. But it is still the Arab and neighbouring States which command most attention and, despite doubts about political instability and the longer-term prospects for work in the region, there is no shortage of competitors for current business. Apart from the more general uncertainties, the main differences in the degree of risk in operating in the Middle East areas involve the size of individual contracts and the particular forms of payment required. In addition to the normal range of performance guarantees, a number of countries seek bonds which are liable on demand and without any need for explanation. Some of the longer established contractors have, however, managed to skirt round the need for such arrangements.

Cover

In the U.K., the Export Credits Guarantee Department can play an important role in helping to offset the risks from political changes and non-payment. Last year it agreed to provide cover on 11 new contracts in the region with a combined value of about £230m. In the last year or so, ECGD has also been providing cover on performance bonds, a scheme available for operations throughout the world.

But while such disadvantages exist, contractors are only too well aware of some of the advantages for Middle East operations. Large advance payments are the form in several countries and these can invariably represent to 20 per cent. of the contract's final value, providing a very welcome boost to cash flow, a major problem in such difficult times.

The size of the contracts available and the guarantee constraints have until now ensured that the bulk of the work available has been undertaken by a handful of the larger operators from each country, the U.K. being no exception. But it would be misleading to suggest that every contract emanating from that part of the world can only be measured in tens or hundreds of millions of pounds and opportunities do exist for the many medium-sized contractors which wish to build up overseas activities.

While announcements of contracts in the Middle East seem to come through almost every day, one of the more recent developments seems particularly encouraging. Only last week the international division of Tarmac revealed that it had engineered a major breakthrough into the Egyptian market, which has effectively closed its doors to international contractors since the death of President Nasser.

The contract, for the construction of a road tunnel under the Suez Canal—a short distance north of Port Suez, is worth £30m, but it is expected that, with all the ancillary work taken into account, the ultimate value will be well over £50m.

Egypt represents a major market for international contractors and consultants and, despite some lingering doubts that some may have about the reliability of clients, it seems likely that companies will be encouraged by Tarmac's success and, if allowed, will make real efforts to capitalise on the opportunities now opening up.

Another breakthrough was recently announced by a British company, though not by a contractor but by a major voice in the materials producing sector, which has as much to gain from participation in the developing nations as the contractors, consultants and architects.

London Brick, the world's largest brick producer, announced towards the end of last year that it too had managed to "crack" a market which had remained firmly closed to companies in its own field. The company said that it was to help build and operate a brick works in Iran, where what amounted to a total ban on foreign participation in brick manufacturing operations was in force. The total investment involved in the new venture will amount to around £35m and involves a joint venture with an Iranian company.

An Iranian public joint stock company, Tehran London Brick, has already been formed with an initial capital of £1.4m and the remainder of the initial investment of £3.1m is to be provided by means of a long-term loan from an Iranian State bank. The new works will initially produce 500,000 bricks a day but should then expand to more than 1m a day. It will be designed by London Brick and will adopt that company's system of pressed-brickmaking. The investment involved may appear to be small beer when compared with some of the contracts now being put out to tender, but repeated calls have been made for British material producers to make greater efforts in overseas markets and London Brick can claim to have given an impressive lead in a country where outside participation has in the past been previously impossible.

Success

Among the big U.K. names in the area, apart from Taylor Woodrow, Costain and Marples, are Laing and Wimpey—working together in Saudi Arabia—Tarmac, Sunley, Cementation and London and Northern, through Paulings. Consultants too have managed to win some substantial business in the Middle East, as they have been doing in many parts of the world with increasing success for some years.

Even while the Tarmac contract was being finalised, which itself involves a British consulting engineer, three other U.K. consulting groups were presenting proposals to the Egyptian Government for a 35-year development plan in the Canal zone. Reconstruction work worth about £50m is involved and all the groups involved in the recent presentations reported a favourable response from the authorities.

Michael Cassell

The professions and their key role

IT IS inevitably the contractor who manages to grab much of the limelight when prestigious overseas orders are signed up and announced and all too often the contribution made by the wide range of specialists and consultants who make eventual building work possible can be overlooked.

That contribution, however, is immense and is often much larger in terms of overseas earnings, than that of the contractors themselves. As far as the U.K. is concerned, the volume of work which architects and consulting engineers—in the electrical, mechanical, heating, ventilating, structural, chemical and mining fields—are now taking on overseas is growing rapidly.

Throughout the broad range of contracting work the U.K. has over the years built up for itself a worldwide reputation virtually second to none, as have its architects. The past performances of British designers and consultants have left behind them a standing which provides a sound base for the many firms and practices which have not yet ventured beyond their own home market but which are now actively considering such a move. Whether or not they can win business depends ultimately on their own expertise and understanding of clients' requirements, but the reputation which precedes them will do them no harm.

The growth of science and technology has made it increasingly necessary for professional engineers to specialise in particular fields relating to construction activity, and the U.K. can offer a breadth and depth of experience in this respect which is equal to any.

Civil engineering in its more restricted sense includes the provision of roads and railways, bridges, tunnels, airports, water supplies, sewerage, land draining and reclamation and harbour works. Electricity and gas generation and distribution are mainly the field of electrical and mechanical engineers, but also require the services of civil and structural engineers. While architects may be responsible for the general planning and appearance of new buildings, whether residential, commercial or industrial, structural engineers will design and supervise work involving such items as foundations, frame-work, floors and stairs.

Mechanical, electrical and heating and ventilating engineers deal with the ever expanding range of services which today have to be incorporated into new buildings. Chemical and mining engineers, not forgetting metallurgists, can also provide services in their respective areas, and so the client can select a consulting engineer with the knowledge and experience that his project needs.

The expansion of overseas activity by U.K. consulting engineers has been a story of remarkable success. According to the Association of Consulting Engineers, the capital value of work being handled by its U.K. members is at present over £120m.

This total represents more than double the figure for a year ago, and it is estimated that most of the increase is the result of new commissions obtained during 1975. According to the association, nearly 80 per cent. by value of the new commissions obtained were in the Middle East, where the total work on hand represents over half the world capital value. In Saudi Arabia, for instance, U.K. consulting engineers are now coping with some £2.5bn. worth of work.

Last year in particular was notable for the number of very large commissions which were obtained. Included in the provision of roads and railways, £120m. were a handful of commissions for projects which ran into hundreds of millions of pounds, although two-thirds of the projects were still valued at £20m. or more.

Revision

The association said that, as a result of this trend, a revision of the method of estimating the resulting annual earnings had been made necessary, since larger projects commanded lower percentage fees as well as being spread over a longer period. On this revised basis, the net invisible earnings by the association's members during 1975 were estimated at £113m, with the present annual earnings rate already up at £130m.

When the 1975 performance was announced, the association took the opportunity to "have a go" at the public sector. Some public bodies it stated, intended to engage in overseas consultancy direct, for which it had not: believe they were organised. Neither it claimed, did they possess the necessary experience.

Added: "Short-sighted fiscal legislation, grossly handicaps consulting engineers by restricting their ability to finance figures are available to illus-

expansion overseas, while over-inflated and under-employed professional staffs in Government offices, central and local, as well as in nationalised industries, absorb much of the limited supply of skilled manpower. In addition to denying independent firms the prosperous home base which was essential if they were to break into the overseas market."

The consultants' objections broadly reflect the opposition mounted in an attempt to prevent the spread of direct labour building operations; and it again underlines the widespread belief that private expertise in the construction field is better than any form of public participation. But it does not, at this stage, seem that in terms of work abroad, the consultants need have too much fear of competition from public authority operations, such as their established predominance in overseas markets.

The opportunities for architectural and engineering consultants are equally enormous, and while no up to date figures are available to illus-

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U.K. developers take stock

INITIAL REACTION to the failure of Amalgamated Investment and Property Company, the first major British quoted group to become a victim of the decline in the property market since 1973, was that its foreign investments must be the problem. The Bank of England's guidance in British creditors appeared to preclude the local banks from precipitating such an unexpected collapse. Amalgamated's foreign exposure was most evident in a 430,000-square-foot office block in the Paris suburbs, called Pariferie Bureaux. Hence the supposition was that the French banks must be the ones who had pulled the rug from under Amalgamated.

Even though this scenario proved false—the lead French bank, Credit Lyonnais, specifically denied it and the timing of AIP's failure proved to have simpler explanations—the nervousness about British developers' interests abroad, and the attitude foreign banks may take to their problems, is well founded. And Pariferie Bureaux is an example of the sort of scheme to frighten any banker.

Voluntary

Its size and location reduce the chances of quick letting with demand influenced by a depressed economy and office oversupply. The banks concerned, even though until recently they were hopeful of a comparatively happy outcome which would have involved Amalgamated in voluntary surrender of the building to them, have come to realise that costs have outrun any likely investment value. And it seems that since the French loans had been granted against an Amalgamated guarantee, the French banks may be joining the unsecured creditors' queue.

The case is an extreme one. But many British developments of the early 1970s, in Europe and other world markets, have at least some of these common elements: too high an initial site

value, at least by to-day's standards, though next year's could be different; financing basically made possible by the huge revaluation surpluses thrown up on the company's British properties, valuations that now look doubtful in many cases; developments of a somewhat revolutionary size or standard—larger or more luxurious than local markets were used to; and funding of a term which assumed completion on time and swift lettings afterwards.

In considering the future role of developers abroad, in the particular context of the construction industry, it would be easy to exaggerate these problems and deduce that British developers will never again provide the work generated from the misplaced belief in a steady and continuous increase in property values which fuelled the last boom.

First, if one considers those with very large individual developments—the MEPC and Capital and Counties schemes in Australia are an example—then whatever their funding problems now, these schemes are in many cases well-located, outstanding buildings which, given some return of economic confidence and a favourable political climate, will pay their way in the long run. A great deal depends on the future tax treatment of properties in the different countries, but not all the more ambitious projects need to end up as Concorde is often viewed now—brave efforts, but losers.

Second, although Britain's biggest property group, Land Securities, has eschewed foreign development, among the other major groups which are still securely funded are some important foreign portfolios: English Property Corporation may, within two years when its present development programme is complete, have more than three-quarters of its portfolio abroad. That includes the important Trizec holding in North America and a major programme on the Continent

where its success in letting buildings due next year in Brussels will be a key point. Given success, such companies will continue to invest in the world's stronger economies and the U.K. market, both in economic and legislative terms, is unlikely to suit them for some time.

Third, whatever the absence of popular belief in any special skills necessary for successful development, British developers have shown particular ability in many of the foreign schemes. Now that more of the professional skills necessary to them are available through foreign branch offices, there are plenty of examples of successful small development teams who can still see a greater opportunity abroad than at home.

Willingness

Samuel Properties, Chesterfield, Heron, Intercontinental and Reamhurst are examples of this, and among them there is a willingness to enter new markets, such as in North and South America at present, which will probably mean that they will continue to initiate developments having funded their present programmes satisfactorily.

Fourth, in a separate category, come those who have successfully developed industrial estates abroad. Most have also tried their hand at commercial schemes there, and with varying success in the last few years. But groups like Slough, Brixton and Artagen are likely to continue their factory and warehouse expansion once demand allows.

Fifth, and perhaps most importantly with the shift of emphasis in the home market from companies to institutions, it should be remembered that much of the British development abroad has been done by pension funds, conventional insurance companies and those tied to property bonds. Changes in exchange control

regulations have influenced these almost as much as the development companies. They have not, however, suffered such severe funding problems and it is likely that, should exchange regulations be eased, the institutions would again become active abroad. They are not passive now, as evidenced by the investment by British pension funds in North America and by associates of several U.K. insurance companies on the Continent. If, for instance, EEC harmonisation extended to giving U.K. gross funds the same tax-exemption abroad as at home, then there could well be substantial investment by them in Europe.

Such expansion lies in the future. For the present, British developers are retrenching abroad. Those with investments are benefiting from sterling's weakness. Those with developments incomplete or unfilled face a worrying period. There are still many major problems contained in the estimated £1.3bn invested in France, Germany, Holland and Belgium alone in the past four years.

Quentin Guirham
Property Correspondent

Professions

CONTINUED FROM PREVIOUS PAGE

trate the level of work which U.K. practices now have abroad, the picture is quite clearly one of fairly rapid expansion, though with ample opportunities for further growth.

As with the contractors, architects have been forced to look harder of potential overseas work in the light of the recession in building work at home. Providing them with an opportunity to spread overheads and keep their operations together. But, as the Royal Institute of British Architects has pointed out in the past, despite the fact that the work of British archi-

lects is admired and respected throughout the world, relatively few practices actually have work overseas. There are around 4,000 firms operating in the U.K., and perhaps only a few hundred have so far tackled foreign projects.

This, apparently, is principally because the "export" of services takes place on a firm-by-firm basis and the full scope of the British achievement goes by default. Furthermore, in contrast to the consulting engineers, architectural practices tend to be fairly small, and the costs of entering overseas mar-

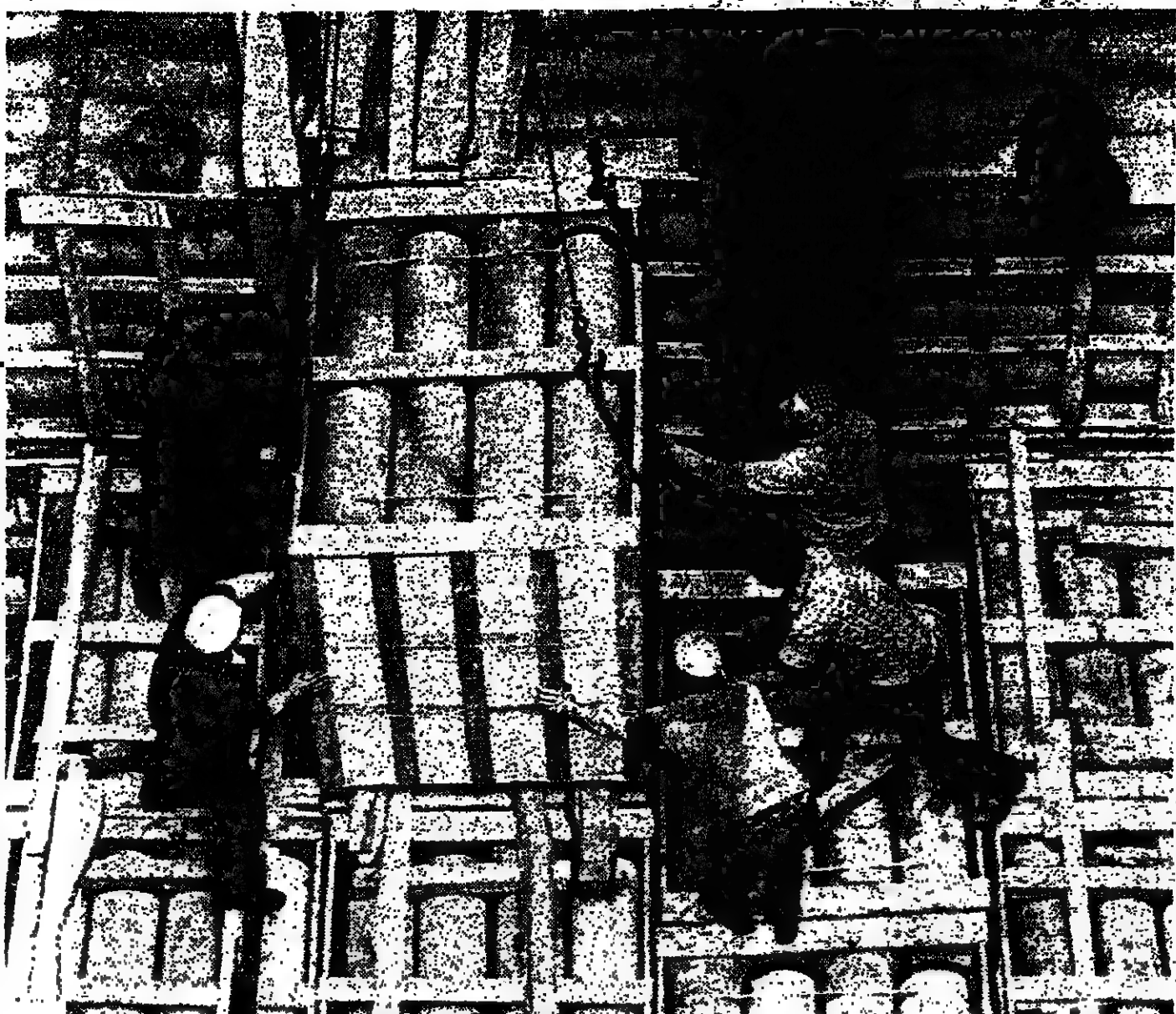
kets at all in competition with heavily subsidised professional services of a number of other developed countries can prove inhibitive.

The RIBA has repeatedly underlined the need for a guiding hand at government level to assemble the package of services, skills and hardware which are necessary to win business in many developing nations, particularly in the Middle East. Government support has been traditionally poor for the export of all forms of professional services, despite the fact that they are an "invisible" with the potential of much "visible" follow-up.

But with last year's formation of a Construction Exports Advisory Board, the architects feel that at long last some effective mechanism to help promote British construction and its associated professional services may be on the way. A spokesman for RIBA commented: "We are very anxious to see many more architects go abroad in search of business, as the number now involved is still comparatively small. We certainly hope that the establishment of the new Board will speed up the process and encourage some of the practices which until now have been wary of overseas commitments."

But if many of the smaller operations have still to join the international club, their larger counterparts continue to make good progress, with British architects well represented in many parts of the world. With much attention focused on the Middle East, work is also being carried out on projects as far afield as Nigeria, South East Asia, South America as well as in Europe.

Michael Cassell



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Packaged project systems

THE CHANGING nature of "jumbo" projects now on offer overseas contracts has stimulated the development of a wide range of new ideas and approaches in the field of project management and traditional attitudes are changing fast.

While many contractors experienced in project control are devising and expanding their own systems for managing contracts, large numbers of consultants are now emerging to offer a new brand of "total package" management. In some respects, the Americans have become pioneers in the provision of project management services and they are now actively evaluating business opportunities in areas of the world where construction work is plentiful.

Today, the client can, if he wishes, delegate as much of the pre-building work to outside experts as he thinks appropriate. The consultant will take on feasibility and economic analyses, investigate, select and acquire suitable development sites and recommend architects, engineers, and contractors for the job in hand. He will also be responsible for schedule and cost control and keep clients management regularly informed of work progress throughout the life of a project. From beginning to end, he can be called on to help and advise down to the final leasing programme, if appropriate.

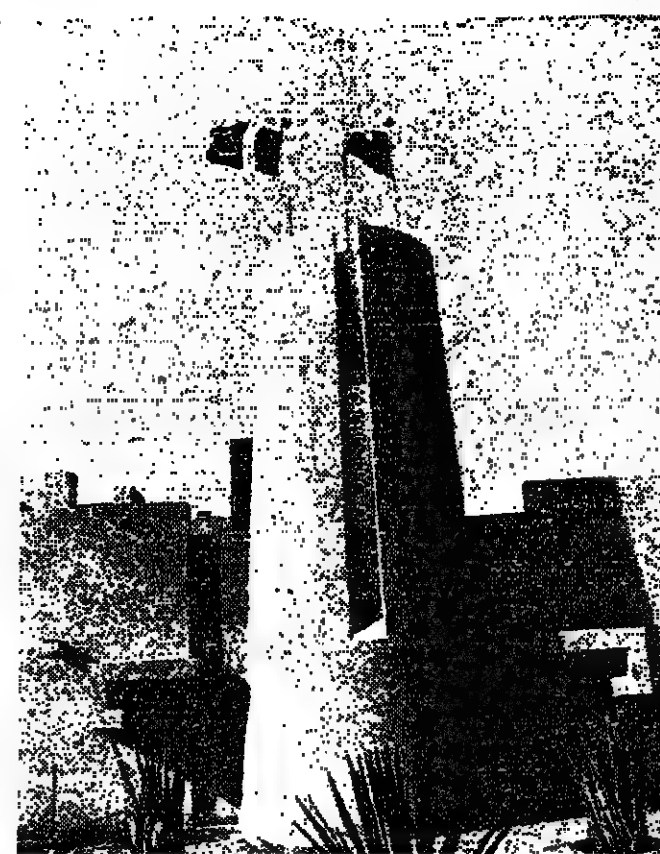
Not all the work now being taken on abroad is, of course, of a size or a nature to justify radical changes in established management techniques but it is when contractors begin to consider tackling the type of

Waste

If a figure of about £100m. is accepted as the dividing line, it is quite clear that contracts beyond this level are beyond the scope of even the largest contractors. The traditional contractor relationship based on the engineer or architect providing a design which then goes out to competitive tendering will simply prove unmanageable and a tremendous waste of resources is likely to occur.

There are already a few well-established means which can make the giant contract more workable from the contractor's point of view and which involve the appointment of a large builder on a management contract basis by the employer. Under such an arrangement the management contractor will take on total responsibility for the construction of the project and he in turn may sub-contract the work to a number of teams on a competitive basis, retaining the obligation for overall co-ordination. In this particular option, the question of responsibility is crucial and although the contractor takes overall charge he is still able to set off the individual parts to those contractors involved in the work.

It might be thought that the management contract could be within the scope of private practice consultants, but because of the structure of the profession the size of individual units is not considered large enough to be able to take up the responsibility even with this set-off position, as the financial



Reminiscent of a desert fort, this Oman Police HQ building is by Britain's George Wimpey and Co.

resources of the largest private practices are far smaller than those of major contractors.

As an alternative, and still with the use of a management contract, a consortium of contractors can be arranged with a variety of choices available concerning the amount of work they undertake as opposed to overall responsibility. The consortium management contract and the single contractor management contract differ little in principle as long as it remains on a fee basis.

A consortium can also be formed to include all construction, design and specialist services. It then presents itself as a team to compete with others

for work or can proceed on a basis of negotiation. If this approach is adopted, the question of a fee does not of course arise but becomes a matter for payments in the normal way, depending on the course of the works and the value of the contract.

Yet another choice lies in the division of a project into several distinct sectors, with competition for the first stage and negotiation for following stages between the client and the successful candidate for the initial work phase. In this case it is considered necessary for the client to have expert assistance, probably by way of consultants, as strict control is required in the negotiation of

the subsequent stages, particularly at a time when inflation presents an added uncertainty. Such an approach does, however, have some big advantages for the contractor, as the first of production, with all section work will be of manageable size and he has the added ability to be able to be reasonably sure that subsequent work will flow from the same source, an important incentive to ensure early work is done efficiently and well.

Examples

Two of the U.K.'s biggest names in international construction have been providing some good examples of how contractors can successfully work together if that is the only way all sections progress to plan and in which mammoth contracts can be obtained. They are not, however, the only ones and a developing pattern of partnerships seems likely.

The Costain-Taylor Woodrow joint management venture in Dubai now has work worth nearly £250m. on its hands in Dubai and while such a venture is nothing new, this arrangement is somewhat unusual in that it is literally a 50-50 partnership. Every section represents a complete amalgamation of the two companies and nowhere is there a department staffed completely with people drawn from one or other company. The management committee masterminding project work was particularly selected to have equal representation from both sides. Management is divided between Dubai and London and while the venture obviously reports to London, it is largely

left alone to carry out the programme. A project manager has overall responsibility for the drydock project while his deputy is principally in charge for the contractor, with all section managers reporting to him. The consulting engineers, Sir William Halcrow and Partners, with a resident engineer in Dubai, and regular contact is maintained between the contractors and consultants.

The contract itself is divided into various working sections and each is a job in its own right, with a manager, engineers, clerical staff and workforce.

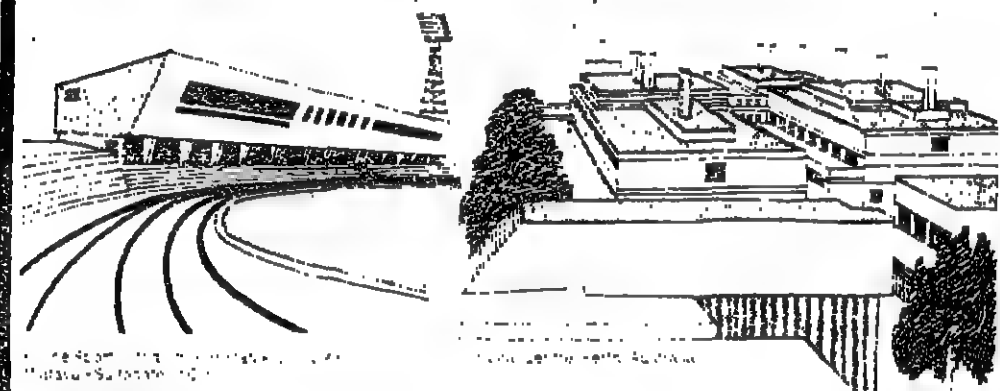
As the joint-venture group puts it: "It is important that all sections progress to plan and progress is constantly monitored by the productivity services department, which has responsibility for overall contract planning and work study. Progress is discussed and future work set out according to current overall requirements."

"Two companies like Costain and Taylor Woodrow, who have worked successfully overseas for many years can be expected to have parallel experience and success formulae. People involved compare their usual methods of working to select the best for the job and have integrated their various skills into the joint venture to the advantage of all concerned."

"A contract of this size is tremendously demanding on the contractor's resources and most large companies would be stretched to provide sufficient people."

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Daunting scale of finance

The rapid expansion over the last few years in both the number and individual size of orders won overseas by British contractors has led to the development of a series of new

approaches to the provision of finance. This has in particular been concerned with the big contracts obtained by British companies between 1973 and 1975. British contractors, of course, have the advantage of using the wide range of facilities available in London.

Typically, a company will use a merchant or clearing bank which will arrange a credit for an overseas customer. Depending, of course, on the country involved and the nature and size of the order, a package may include direct term loans. Thus a loan agreement may be tied up between a bank and the customer whereby the bank will pay the U.K. contractor and in turn debit the overseas client. The customer can, of course, directly pay the U.K. contractor with Promissory Notes which can in turn be discounted.

Contractors are naturally keen to minimise any risk from political changes or from non-payment and the Export Credits Guarantee Department can play an important role here providing cover on a normal premium basis. The ECGD's role is essentially to complement the normal market mechanisms of the banking and the insurance system.

On the other hand, a number of countries seek performance bonds—often up to around 10 per cent. of the total value of the contract—and these can be made even if there is not an actual default. Not surprisingly these bonds are resisted as far as possible though they have complicated negotiations for some companies.

The ECGD has become involved in this issue by specifically providing a cover on performance bonds—a scheme which has been available for just over a year now. While this cover applies throughout the world it was inspired by the particular needs of the Middle East.

The Department has also recently widened its range of services to cope with some of the problems posed by the world-wide acceleration of inflation. Rising costs pose an obvious threat to the profitability of contracts where it is not possible to obtain proper escalation clauses. In an attempt to reduce the difficulties caused by inflation, including the effects of the fall in the value of sterling, ECGD's cost escalation scheme was introduced in February 1975 for contracts lasting more than two years with an individual value of more than £2m. The contractor is responsible for the first 10 per cent. of any increase in costs above the expected level with the Government covering 85 per cent. of the next 10 per cent. For cash contracts, the figures are 90 per cent. and 15 per cent. respectively. The schemes basically concern raw material, components and labour costs.

Size

A whole range of new financing problems has arisen over the last couple of years—not only because of the increase in the total value of new orders won (as mentioned above) but also because of the size of the individual contracts. The average size of new orders has grown faster than inflation to a large extent as a result of the increased involvement in the Middle East where Governments—as the source of many of the contracts—have preferred to place orders in large packages, often worth more than £20m.

This has meant that the bulk of the work is being carried out by the half-dozen or so major groups with the financial and asset strength required to undertake schemes worth tens of millions of pounds. The smaller and middle-sized groups are mainly involved in projects such as housebuilding and as sub-contractors. Even the major groups are often linked in consortia—for example, Costain and Taylor Woodrow are jointly involved in projects in Dubai worth £247m. In the cases where a smaller company is involved, an individual contract

can dwarf the equity base of the company concerned which reinforces the need to secure all possible safeguards against non-payment or political disturbance since the effect of an error could obviously be so disastrous.

The expansion in the Middle East has both provided new financial attractions and posed new problems, apart from the specific issues of size. Thus in a number of Middle Eastern countries, there is the major attraction of advance or mobilisation payments. These are frequently available up to 20 per cent. of the final value of the contract—depending on the size and nature of the order. The proportion is obviously higher in a road building scheme where the construction group needs to import large amounts of plant and equipment.

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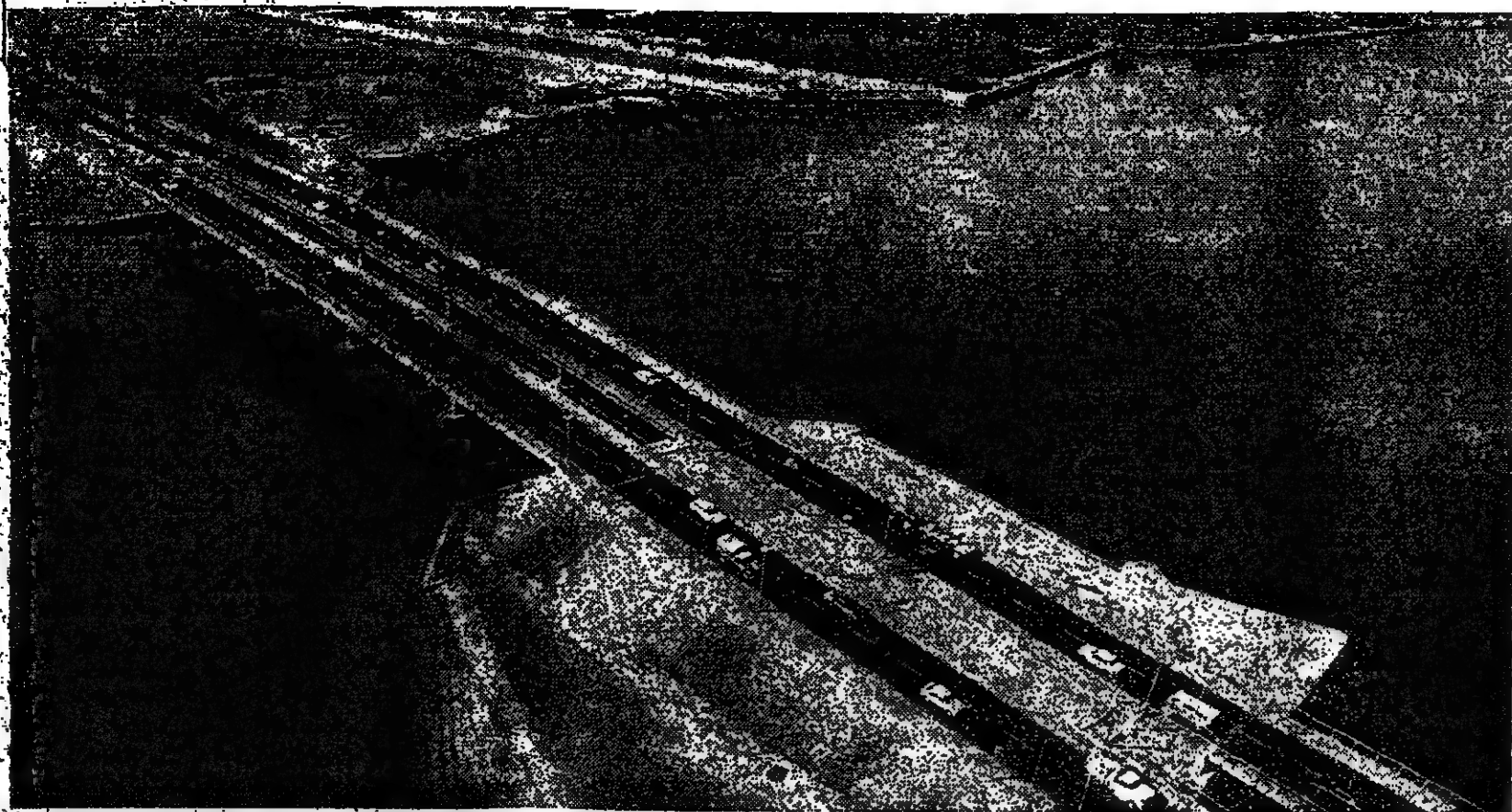
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OVERSEAS CONSTRUCTION V



The Al-Maktoum bridge over The Creek at Dubai was built by Wimpey in a joint venture with Al Futtaim.

Big Middle East orders

OCTOBER 1973 the oil-rich States of the Middle East proved a godsend to contracting firms through the world, providing new challenges, bigger margins, and generally shrinking markets. Last year, for example, nearly \$500m. of the orders won over 160 days at Jeddah to 78 days at Basrah and 70 days at Doha.

Some difficulties over a few months arising from oil revenues and the economies of the oil-exporters of the big oil companies look short of ready cash. One of the major difficulties for foreign contractors is the need to import most of their basic materials because the construction industry in the Middle East is still mostly at an infant stage. With waiting times at the ports ranging from around 160 days at Khormashar and 140 days at Jeddah to 78 days at Basrah and 70 days at Doha, importing cement, bricks or reinforcing bars can be costly. The dearth of building materials in the oil states and the demand for housing has pushed rents up to astronomical heights.

On the big projects escalating costs are quite often reflected in the difference between the initial and final contract prices. The Dubai cement plant being built by Costain was priced at around \$2m. at the beginning of 1973; the final figure is now likely to be over \$30m. (though other factors including the expanding requirements of the client have been involved). Plans for the Dubai dry dock, under construction by Costain-Taylor Woodrow, have recently been expanded too, and the bulk of the extra finance has come from a \$150m. Euroloan. Of this, \$20m. was to pay for cost escalation on the original contract.

Labour is likely to cause more headaches for foreign contractors soon. In the past this has been the least of the worries with the vast pool of Yemeni, Pakistani or Indian labour available to the Arabian peninsula. But some governments are known to be concerned at the imbalance between natives and immigrants. Saudi Arabia has not published its census for this reason. In Dubai there are reckoned to be 100,000 workers from the Indian subcontinent and 1980 some 250,000 out of a total population of 270,000. 203,000, only 30,000 of whom are natives, hospitals accommodate 280 beds, nearly 2,000.

At the same time, the workers and port facilities to themselves have shown restless present capacity more than at their conditions com-

pared with the great wealth surrounding them. Last month 2,500 Pakistanis and Indians working on building the dry dock in Dubai struck for more money, sick leave, paid holidays, etc. This time only 30 "ring-leaders" were deported. A few years ago, the whole lot would have been. But Sheikh Rashed has now to take more account of the cost to his development programme.

For big projects the trend is now towards engaging companies that can bring in and look after their own labour force. South Korean and Indian firms have the edge here, and for this reason should win increasing amounts of work. Already the \$150m. contract to build the OAPEC dry dock in Bahrain has gone to Hyundai, helped by the Korean group's willingness to supply its own labour. The Korean workers seem prepared to live in spartan, barrack-like conditions and work seven days a week. It would clearly be difficult for Western companies to compete on the same terms.

Ventures

The scale of many Middle East projects means only the big international contractors can really compete, and they often join up, either among themselves or with local partners, in joint ventures or consortia. A joint venture with a local firm is frequently the only sure way to win work.

The latest joint company is a 50/50 venture between Teamwork International, a subsidiary of the Taylor Woodrow Group, and Ali Zaid al-Qurashi and Brothers, a Saudi trading group. The new company, Teamwork Saudi Arabia, is already negotiating several contracts.

Costain and Taylor Woodrow have linked up for Middle East work—their contracts for the Dubai dry dock and Port Rashid are worth \$247m.—and Laing and Wimpey have a joint venture in Saudi Arabia with a local group, Alireza, which has won £20m. contracts for both Abha airport and for developing Jeddah.

These four British groups, together with Cementation, Sunley, Tarmac and Paulings, have dominated Gulf construction work. Potholes established while the Emirates were still under British rule, as well as the ascendancy of British consulting engineers, have helped. The British government has also stepped up its assistance for exporters, with the Middle East in mind, and since last year has been guaranteeing performance bonds for projects worth over £2m. The first bond of this kind, announced last May, was for Bath and Portland's £46m. contract to build a highway in Iran. Britain is also one of the few industrial states to provide cost-escalation cover, though for fairly small amounts—on export contracts over £2m. signed after February 20, 1973.

However, competition for British firms is getting stiffer, even in the Emirates. Recent contracts there have been won by an Indian firm in Qatar (for a \$70m. airport), by a Swedish firm in the UAE (for \$71m. worth of housing), by three Japanese firms including Nishio Iwai in Kuwait (for a \$500m. town) and by Belgian/West German and U.S. firms for two hospital contracts there each worth \$70m.

Away from the Emirates, the diversity of contractors is clearer. South Korean firms have long been popular in Saudi Arabia for road construction, and Archirodon of Greece is bearing the brunt of the kingdom's port expansion programme, its last two contracts being worth \$170m. and \$134m. respectively. Hochtief of West Germany in 1974 got a \$250m. contract to build a new airport at Jeddah, while Philipp Holzmann last year was awarded one

for \$225m. for five hospitals, apartments worth some \$144m. One of the biggest recent contracts in Iran—for a \$1bn. port won significant slices of Libya's development programme. Eastern European and local contractors feature strongly in Iraq's construction projects, but such is the pace of development there that Iraq has been turning increasingly towards Western European firms. A stage of expansion of Tripoli port. It also carried out the first taken on to build a \$200m. holiday township.

Another Turkish company has recently been engaged to build

Peter Field



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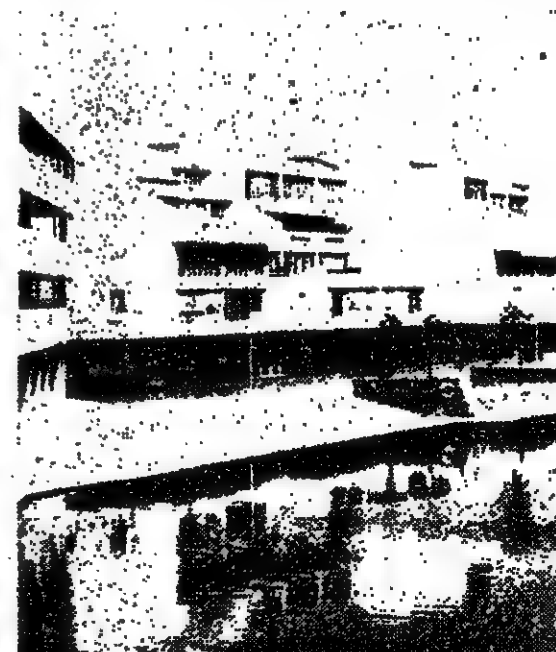
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OVERSEAS CONSTRUCTION VI

More optimistic mood
in the States

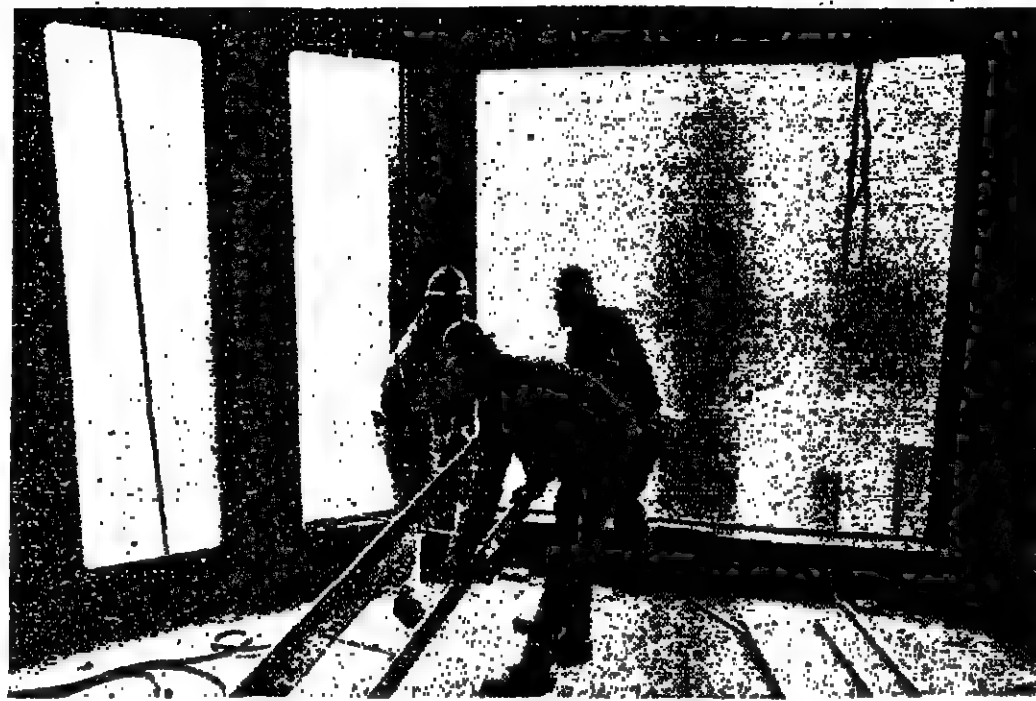
AS THE American economy pulls strongly away from the recession of the past 18 months, U.S. construction companies are more optimistic than for some time, but they have yet really to feel the full effects of the improvement.

The industry was hit particularly hard in America, as elsewhere, by the cutback in major construction projects like roads, universities, hospitals and schools which both Federal and State authorities have been postponing or scaling down wherever possible to save money. Roads, in particular, have been a major casualty of the downturn, and there is still little of the enthusiasm that there once was for any significant extension of the nation's highway network especially inside built-up areas.

More serious still for smaller builders has been the slump in the private housing market. This has affected everyone from the small-town general builder to the large companies that specialise in apartment blocks or hotels. In Florida, for instance, where until two years ago there was a construction boom, a number of developers have been in severe financial difficulties because they could not meet their mortgage payments, and the inevitable result has been to bring to a virtual halt almost all new building.

The latest statistics suggest that this is now changing at last, and the industry is now predicting a much better year than last but still nothing like as good as the halcyon years before. Even so, Federal housing policy is widely criticised on the grounds that, as in Britain, the Government seems to be unable to find an effective way of helping young and relatively poor home buyers to enter the market.

But if the domestic picture has been bleak for some time, it has been somewhat improved by the involvement of some of the nation's largest construction companies in a new burst of overseas building, particularly in the Middle East. Overseas construction now accounts for



Men at work on a New York office building. The construction industry has been hard hit by recession, although overseas orders have provided a bright spot.

some 10 per cent. of the \$130bn. of business done last year by U.S. construction companies. The surge of building in the Middle East, and increasing involvement in Brazil, Nigeria and Central America has been warmly welcomed by most of the large contractors, but they also concede that it is already bringing with it considerable problems.

The chief area of interest is the Middle East and specifically the large defence building contracts connected with the expansion of the Iranian and Saudi armed forces. One industry source, for instance, estimates that the Saudis are currently engaged on about \$18bn. worth of military construction projects of one kind or another. Although U.S. companies have not won major new contracts there since September — and have seen as much as \$10bn. of this figure go to European or Japanese contractors — they are still heavily involved in the area.

However, industry sources freely admit that the early enthusiasm about these huge contracts has evaporated, and there are a number of major contractors who are beginning to have serious doubts about committing themselves too deeply. Saudi Arabia provides a good example of the hazards that major U.S. construction companies have discovered. To begin with, the Saudis like fixed-price long-term contracts which the contractors are very wary of because of the unpredictable vagaries of inflation. The Saudis insist on bank guarantees to guard against default which the companies dislike because these are viewed by the banks as part of the line of credit. This obviously worries the contractors who have been pressing the Saudis to agree to sureties rather than guarantees, so far without success.

Once a contract is won, however, the problems are far from over. Port congestion, the need to import labour, shortages of the most basic raw materials all conspire to make working in Saudi Arabia extremely difficult, particularly for companies with no previous experience in similar work. Industry officials cite the enormous overhead costs associated with bids of this kind as a major reason why in recent months U.S. contractors have failed to win a number of military deals. Even though the U.S. Army Corps of Engineers operates on behalf of the Saudis in a number of cases, it has awarded some \$10bn. worth of contracts to non-American contractors since September simply because the foreign competitors could offer lower prices.

Boycott

although they are not prepared to say so publicly, is the possibility that such revelations could lose them a good deal of business at home, because they fear their major customers would be loath to do business with companies who have admitted going along with the boycott.

A further problem which a number of companies have encountered has been that as oil revenues have fallen off in some countries because of the recession, some customers have been late with their payments. Not surprisingly, information about this is difficult to come by, but industry sources suggest that at the moment some Iranian clients have allowed themselves to fall behind with their payments and this is just beginning to cause some concern.

Formidable

Nevertheless, the opportunities both in the Middle East and in other oil producing countries are enormous. One industry source calculates that the market for new construction in the Middle East alone will become \$90bn. over the six years and that, even if this has to be scaled down still represents a formidable opportunity for American companies. Venezuela, for instance, is now beginning to attract great interest and a number of American companies have been active in Nigeria as well.

The more traditional markets of Central America have also generated a fair amount of business for U.S. companies as have Brazil and the Philippines.

The most authoritative list of the countries that major U.S. contractors are operating in is published each April by the magazine Engineering News-Record. The latest list is due out next month but last year's gives a good indication of the geographical spread. Bechtel, for instance, was then involved in over 40 countries. Brown and Root in over 35, Kellogg in nearly 30 and Kaiser in about 25. Together the top 400 companies shared about \$11.7bn. worth of overseas work, according to this list, and that has certainly been outdated since by the surge in orders from the OPEC nations.

One area where U.S. industry sources concede that they are relatively weak is in providing the full range of technical advice that contractors need before tendering for contracts. The industry is at the moment working hard to gather more information of this kind so that it can better serve companies who want to expand their overseas business while warning

Picketing Bill could labour peace within try. This Bill would allow unions to picket building site even if grievance was with sub-contractor and reported right up to President Ford. It eventually bowed to give opposition from construction industry as right-wing of the Party and vetoed the construction union seeking such a many years and vowed to make life the companies. How difficult they find and what level of seek, remains to be seen. Some analysts fear that some of the advances of the recession. Whatever happens, companies are likely to be an important force in construction, making them are seeking military contracts they are involved in long new plants or in this kind of business a very few companies likely to survive. The interests where are more predictable, readily available, no shortage of raw. Indeed some of the industry who claim to be far-sighted will not be surprised to see a reduction in U.S. construction in the Middle East in the years in favour of markets in North America and Europe.

this year with home building leading the way. While housing improves most analysts agree with survey's projection that "institutional" construction will still be depressed and that there will not be very much investment in new plant at least until industrialists get a clearer idea of the likely duration of the current economic upturn.

A further factor which must be considered is the level of wage settlements that may be reached this year and the possible effect that President Ford's unexpected veto of a

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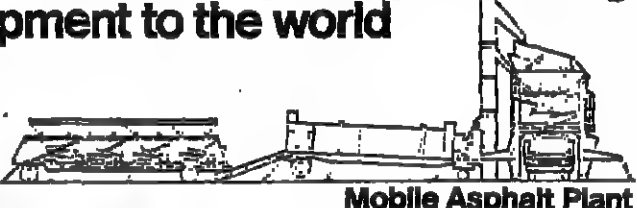
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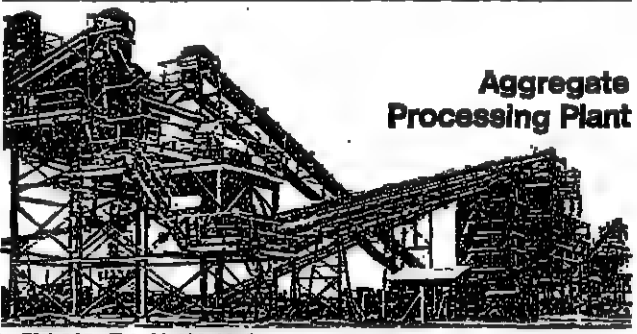
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OVERSEAS CONSTRUCTION VII

Growth in Latin America

CONSTRUCTION sector often for political reasons and the disappointing outlook in during the 1970s, been in support of the Chilean junta, other smaller Latin American economies, will make the 1974 the most buoyant sector does not appear to have cured growth rate a thing to look back at the economy of Latin the economic chaos in that country. A revival of the international copper prices on which about the continent was at the of 5.5 per cent higher the Chilean balance of payments that of any other sector, depends would give a further country of the region. But there is no rate of expansion to be little prospect in in, however modest, and the short term of the Chileans use in some individual being able to put their house as was phenomenal. The in order, correct the wild the industry in Brazil, the inflation and extricate them largest country, was in itself from their slump, boom at the time, and The Chilean building industry had results helped to push has no more reason to feel regional average growth pleased with its prospects than the Brazilian or Argentinian level of 8.1 per cent.

The had results likely from these countries, combined with for 1976 as virtually authoritative economic which has cared to make east for this year to make the rate of growth as a of countries facing dis increases. A cyclical or is sure to be hit more most others by a down- ed with a debt burden that becoming almost unbearable will see its growth in back very sharply. The Brazil of liquidity in the Colombia economy, the setback road programme in the of the country's need to assumption of precious im- fuel, the restriction on export of capital goods will long the factors choking off the of the Brazilian con- don companies in 1976, was the difficulty the Gov- nit is having in raising for some of its biggest works projects such as the and hydroelectric scheme inevitably lead to delay plans which had been red on to give a boost to construction sector. Great balance of payments deficit, coupled with re- dition and the playing out tical problems, which are ly sided in Brazil, means ruling uncertainty in the sector in

| Construction in Latin America | | | | |
|-------------------------------|--------------|-------|------|-----|
| Annual growth rates | | | | |
| | Construction | | | |
| Country | 1972 | 1973 | 1974 | |
| Argentina | 2.3 | -9.3 | 12.3 | |
| Bolivia | 1.9 | -7.2 | 14.0 | |
| Brazil | -10.6 | -12.5 | 11.2 | |
| Colombia | 4.4 | -11.5 | 12.5 | |
| Costa Rica | 7.2 | 8.5 | 13.0 | |
| Chile | -0.7 | -12.6 | 13.5 | |
| Ecuador | 3.0 | 11.7 | 8.3 | |
| El Salvador | 21.3 | -11.9 | 15.9 | |
| Guatemala | 9.5 | 15.0 | 4.7 | |
| Haiti | 15.3 | 25.4 | 17.2 | |
| Honduras | -8.5 | -3.7 | 3.1 | |
| Mexico | 7.0 | 14.8 | 6.3 | |
| Nicaragua | 6.2 | 6.7 | 23.0 | |
| Panama | 15.3 | 4.3 | 3.9 | |
| Paraguay | 5.2 | 16.1 | 59.6 | |
| Peru | 11.0 | -8.3 | 17.0 | |
| Dominican Republic | 28.0 | 13.9 | 12.6 | |
| Uruguay | 5.7 | -2.0 | 9.1 | |
| Venezuela | 21.0 | 10.8 | 2.8 | |
| Total | 19 countries | 5.1 | 8.9 | 9.8 |
| (excl. Brazil) | 7.1 | 6.2 | 9.1 | |

Source: UN Economic Commission for Latin America.



Construction work on the underground railway in Rio de Janeiro.

S. Korea enters the lists

SOUTH KOREA is hopeful of earning around \$2bn. in construction jobs abroad this year, mostly in the Middle East. Coupled with the gaining momentum in shipments of export goods, the fast-rising construction business is a boon much needed to reinvigorate the nation's economy which suffered a trade deficit of \$1.8bn. last year.

The Koreans' strong selling point is the ability to bring thousands of their own skilled workers to the overseas construction sites. This gives them a competitive edge over American, European and Japanese companies which can deploy only engineers and foremen in most cases.

Especially in such Arab States as Saudi Arabia and Kuwait, trained construction workers are a commodity in short supply. The upstart Koreans are able to more than offset some technical inferiority to their competitors with the supply of their own labour at comparatively low costs, and thus can under-bid them for some of their larger jobs in those countries involving construction of ports, shipyards and motorways.

Official figures show that, out of 6,800 Koreans working in construction projects abroad as of the end of January, 4,700 were in the Middle East.

Exporting construction expertise as well as labour is a trade quite new to South Koreans, who obtained their first international experience in South East Asia only a decade ago. Aside from remarkable gains in South Vietnam during the peak war days, the Koreans had a good record in Malaysia and Guam.

Samuel Kim

ARCHIRODON

Marine Works and General Construction



Archirodon's organisation, one of the largest marine-works contractors, has been contributing dynamically to the development of the Middle East countries since 1960. Having completed the Benghazi and Beirut Ports it is now engaged in the construction of Jeddah, Dammam (photo above) Jubail and Yanbu commercial Ports in Saudi Arabia and the Ports of Sharjah and Ras-Al-Khaimah in the United Arab Emirates. Contracts in hand amount to approximately 1,000-million U.S. Dollars.

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WALL STREET OVERSEAS MARKETS FOREIGN EXCHANGE GOLD MARK

Early improvement in slow trading Pound improves

BY OUR WALL STREET CORRESPONDENT

AN EARLY improvement developed on Wall Street today, although there did not appear to be any special reason behind the firmer tone.

By mid-day the Dow Jones Industrial Average was up 3.58 to 985.67 and the NYSE All-Share Index was up 1.12 to 100.12.

Closing prices and market reports were not available for this edition.

Common Index gained 30 cents to 984.01, while advances topped in a little more than a six-to-five margin.

Although the turnover expanded 82,000 shares to 5,710, compared with noon yesterday, there was a distinct slowdown in the afternoon.

MONDAY'S ACTIVE STOCKS

| Stock | Change |
|--------------------|--------|
| Am. Oil | +1/4 |
| Am. Steel | +1/4 |
| Am. Tobacco | +1/4 |
| Am. Telephone | +1/4 |
| Am. United Fruit | +1/4 |
| Am. Wool | +1/4 |
| Am. Zinc | +1/4 |
| Am. Sugar | +1/4 |
| Am. Lumber | +1/4 |
| Am. Paper | +1/4 |
| Am. Glass | +1/4 |
| Am. Rubber | +1/4 |
| Am. Chemical | +1/4 |
| Am. Textile | +1/4 |
| Am. Food | +1/4 |
| Am. Drug | +1/4 |
| Am. Medical | +1/4 |
| Am. Electric | +1/4 |
| Am. Mechanical | +1/4 |
| Am. Transportation | +1/4 |
| Am. Communication | +1/4 |
| Am. Finance | +1/4 |
| Am. Insurance | +1/4 |
| Am. Real Estate | +1/4 |
| Am. Miscellaneous | +1/4 |

market interest in "large" institutional traders, which helped drive up daily average volume of 30m. shares in the first two months of the year.

Elm Lilly moved ahead 1/2 to \$324, Exxon 1/4 to \$302, Eastman Kodak 1/4 to \$144, Sears

Roebuck 1/4 to \$73, and Getty Oil 1/4 to \$104.

Superior Oil climbed 1/4 to \$106, despite lower earnings.

Libbey-Owens-Ford 1/4 to \$53, Phillips Petroleum 1/4 to \$53, W. R. Hambrecht 1/4 to \$53, International Minerals and Chemical 1/4 to \$53.

Du Pont gained 1/4 to \$146 among chemicals.

But Moore McCormack Resources fell 1/4 to \$43, following its lower first quarter earnings forecast.

Steels and Motors were fractionally higher. General Motors shed 1/4.

The American Steel Market Value Index climbed 0.34 to 103.66, while the turnover decreased 140,000 shares to 1.07m. compared with mid-day yesterday.

Presley, a volume leader, picked up 1/4 to \$171.

Industries jumped 1/4 to \$371 on Britain's BTR offer to acquire its business and assets for \$30m. cash, equivalent to \$42 per common share.

OTHER MARKETS

Canada lower

Light selling depressed Blue Chips on Canadian Stock Markets which became lower in moderate trading yesterday morning.

The Industrial Share Index lost 0.27 to 100.71, Western Oil 0.06 to 100.55, Utilities 0.25 to 103.57, Banks 0.13 to 103.51 and Papers 0.70 to 103.88. But Golds firmed 0.34 to 103.88 and Base Metals hardened 0.12 to 103.88.

Domestic Foundries and Steel were off 1/4 to \$25 on only \$50 shares.

Corporate Foods moved up 1/4 to \$8 on increased 1973 earnings.

Norfolk Resources eased 1/4 to \$111, 64,233 shares, although it looks for \$1.50, or more, in earnings this year, compared with \$1.31 a share in 1972.

PARIS—Generally steady in fair active trading.

Steels were firmer, partly reflecting the improved outlook for industrial production and the Steel Industry.

Banks, however, eased on news of changes in credit conditions.

Oil, Food, Engineering, Metallurgicals and Portfolios were steady. Chemicals, Stores and Construction were mixed.

Electricals, Motors and Rubbers eased.

U.S. stocks were narrowly mixed. Germans easier, Belgians well held. International Oils gained ground, while Coppers and Golds eased.

BRUSSELS—Mostly lower after another quiet session.

Steels were mixed. Canebe rose 1/4 to 47.15. Non-Ferrous Metals were mostly higher, with Asturienne up 1/4 to 130.

Holdings eased ground, and Oils, however, were steady. Frs. 4.25 to 2.93 in otherwise reduced chemicals.

U.S. shares were mostly lower, as were South African Gold Mines, while Dutch, French and German shares weakened.

AMSTERDAM—Mixed in active trading.

Dutch Internationals were generally firmer. Elsewhere, Shipping, Oil, Insurance and Plantations were mixed, although Dell firmed strongly on increased profits in 1973.

Stores were little changed, while Banks generally firmed.

State Loans partly recovered from recent declines.

GERMANY—Mixed to slightly higher in moderate trading.

Banks and Chemicals were mixed. Electricals steady to higher. Motors lost ground.

Machine Makers were predominantly higher. Steels mixed to higher, while Metals were mixed.

Minings were firm. Utilities mostly declined a little. Stores were predominantly lower, while Breweries were steady to lower.

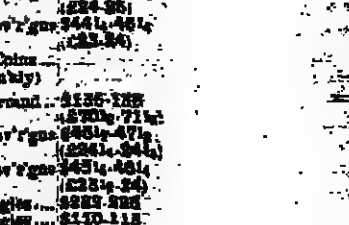
Domestic Public Sector Bonds eased 1/4 to 118 1/2. 3 year Federal Loan at 9 1/2 per cent. was quoted at 1 to 1 discount.

OSLO—Bankings and Shipping were quiet. Insurance firm, while Industrials were steady.

VIENNA—Irregular trend. Banks and Chemicals were mixed. Breweries firmed. Construction quietly steady.

COPENHAGEN—Higher in active dealings.

STERLING



from \$180-185 (271-73). Its premium over the gold content was reduced to 3 per cent. from 1.61 per cent. domestically, and narrowed to 2.81 per cent. from 2.98 per cent. in international dealings.

The U.S. dollar moved ahead generally, but lost ground to the improving Italian lira, which was still feeling the benefits of Government measures.

The Belgian franc made a dramatic turnaround, and finished the day as the highest currency in the European float.

The appreciation of the currency continued to improve, closing at 3.59 per cent. against 4.57 per cent. previously.

Trading in gold remained rather dull, with the metal losing \$1.31 to \$181-185. The Kruggerand for domestic delivery eased to \$181-185 (271-73).

HONG KONG—Mainly lower. Hong Kong Bank were down 40 cents to \$HK21.20, Hong Kong Land 15 cents to \$HK3.40, New World 2 cents to \$HK1.45, Jardine 40 cents to \$HK2.50, Pacific 20 cents to \$HK1.40, Wheelock 1 1/2 cents to \$HK1.25, Hutchison 13 cents to \$HK2.75, Hong Kong Electric 10 cents to \$HK2.25, China Light 10 cents to \$HK2.25, Hong Kong Telephone 30 cents to \$HK2.60, Hong Kong and Kowloon Wharf 20 cents to \$HK1.90, and Hong Kong Dock 25 cents to \$HK1.95.

JOHANNESBURG—Gold shares were easier in line with the bull market, while Financial Minings were little tested.

Coppers were easier, with Messina down 10 cents to \$R300. Platinaums were lower.

U.S. issues were steady while Industrials were narrowly mixed.

ALABAMA—Marginally weaker, although Oils were firmer following the Woodside up 3 cents at \$A108, drilling

Indices

NEW YORK—DOW JONES

| Mar. 22 | Mar. 21 | Mar. 20 | Mar. 19 | Mar. 18 | Mar. 17 | Mar. 16 | Mar. 15 | Mar. 14 | Mar. 13 | Mar. 12 | Mar. 11 | Mar. 10 | Mar. 9 | Mar. 8 | Mar. 7 | Mar. 6 | Mar. 5 | Mar. 4 | Mar. 3 | Mar. 2 | Mar. 1 | Mar. 31 | Mar. 30 | Mar. 29 | Mar. 28 | Mar. 27 | Mar. 26 | Mar. 25 | Mar. 24 | Mar. 23 | Mar. 22 |
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| 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 |

STANDARD AND POORS

| Mar. 22 | Mar. 21 | Mar. 20 | Mar. 19 | Mar. 18 | Mar. 17 | Mar. 16 | Mar. 15 | Mar. 14 | Mar. 13 | Mar. 12 | Mar. 11 | Mar. 10 | Mar. 9 | Mar. 8 | Mar. 7 | Mar. 6 | Mar. 5 | Mar. 4 | Mar. 3 | Mar. 2 | Mar. 1 | Mar. 31 | Mar. 30 | Mar. 29 | Mar. 28 | Mar. 27 | Mar. 26 | Mar. 25 | Mar. 24 | Mar. 23 | Mar. 22 |
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| 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 |

N.Y. S.E. ALL COMMON.

| Mar. 22 | Mar. 21 | Mar. 20 | Mar. 19 | Mar. 18 | Mar. 17 | Mar. 16 | Mar. 15 | Mar. 14 | Mar. 13 | Mar. 12 | Mar. 11 | Mar. 10 | Mar. 9 | Mar. 8 | Mar. 7 | Mar. 6 | Mar. 5 | Mar. 4 | Mar. 3 | Mar. 2 | Mar. 1 | Mar. 31 | Mar. 30 | Mar. 29 | Mar. 28 | Mar. 27 | Mar. 26 | Mar. 25 | Mar. 24 | Mar. 23 | Mar. 22 |
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| 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 |

MONTREAL

| Mar. 22 | Mar. 21 | Mar. 20 | Mar. 19 | Mar. 18 | Mar. 17 | Mar. 16 | Mar. 15 | Mar. 14 | Mar. 13 | Mar. 12 | Mar. 11 | Mar. 10 | Mar. 9 | Mar. 8 | Mar. 7 | Mar. 6 | Mar. 5 | Mar. 4 | Mar. 3 | Mar. 2 | Mar. 1 | Mar. 31 | Mar. 30 | Mar. 29 | Mar. 28 | Mar. 27 | Mar. 26 | Mar. 25 | Mar. 24 | Mar. 23 | Mar. 22 |
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TORONTO

| Mar. 22 | Mar. 21 | Mar. 20 | Mar. 19 | Mar. 18 | Mar. 17 | Mar. 16 | Mar. 15 | Mar. 14 | Mar. 13 | Mar. 12 | Mar. 11 | Mar. 10 | Mar. 9 | Mar. 8 | Mar. 7 | Mar. 6 | Mar. 5 | Mar. 4 | Mar. 3 | Mar. 2 | Mar. 1 | Mar. 31 | Mar. 30 | Mar. 29 | Mar. 28 | Mar. 27 | Mar. 26 | Mar. 25 | Mar. 24 | Mar. 23 | Mar. 22 |
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JOHANNESBURG

| Mar. 22 | Mar. 21 | Mar. 20 | Mar. 19 | Mar. 18 | Mar. 17 | Mar. 16 | Mar. 15 | Mar. 14 | Mar. 13 | Mar. 12 | Mar. 11 | Mar. 10 | Mar. 9 | Mar. 8 | Mar. 7 | Mar. 6 | Mar. 5 | Mar. 4 | Mar. 3 | Mar. 2 | Mar. 1 | Mar. 31 | Mar. 30 | Mar. 29 | Mar. 28 | Mar. 27 | Mar. 26 | Mar. 25 | Mar. 24 | Mar. 23 | Mar. 22 |
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Rises and Falls

| Mar. 22 | Mar. 21 | Mar. 20 | Mar. 19 | Mar. 18 | Mar. 17 | Mar. 16 | Mar. 15 | Mar. 14 | Mar. 13 | Mar. 12 | Mar. 11 | Mar. 10 | Mar. 9 | Mar. 8 | Mar. 7 | Mar. 6 | Mar. 5 | Mar. 4 | Mar. 3 | Mar. 2 | Mar. 1 | Mar. 31 | Mar. 30 | Mar. 29 | Mar. 28 | Mar. 27 | Mar. 26 | Mar. 25 | Mar. 24 | Mar. 23 | Mar. 22 |
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Index and base dates

| Mar. 22 | Mar. 21 | Mar. 20 | Mar. 19 | Mar. 18 | Mar. 17 | Mar. 16 | Mar. 15 | Mar. 14 | Mar. 13 | Mar. 12 | Mar. 11 | Mar. 10 | Mar. 9 | Mar. 8 | Mar. 7 | Mar. 6 | Mar. 5 | Mar. 4 | Mar. 3 | Mar. 2 | Mar. 1 | Mar. 31 | Mar. 30 | Mar. 29 | Mar. 28 | Mar. 27 | Mar. 26 | Mar. 25 | Mar. 24 | Mar. 23 | Mar. 22 |
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CANADA

| Mar. 22 | Mar. 21 | Mar. 20 | Mar. 19 | Mar. 18 | Mar. 17 | Mar. 16 | Mar. 15 | Mar. 14 | Mar. 13 | Mar. 12 | Mar. 11 | Mar. 10 | Mar. 9 | Mar. 8 | Mar. 7 | Mar. 6 | Mar. 5 | Mar. 4 | Mar. 3 | Mar. 2 | Mar. 1 | Mar. 31 | Mar. 30 | Mar. 29 | Mar. 28 | Mar. 27 | Mar. 26 | Mar. 25 | Mar. 24 | Mar. 23 | Mar. 22 |
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PARIS

| Mar. 22 | Mar. 21 | Mar. 20 | Mar. 19 | Mar. 18 | Mar. 17 | Mar. 16 | Mar. 15 | Mar. 14 | Mar. 13 | Mar. 12 | Mar. 11 | Mar. 10 | Mar. 9 | Mar. 8 | Mar. 7 | Mar. 6 | Mar. 5 | Mar. 4 | Mar. 3 | Mar. 2 | Mar. 1 | Mar. 31 | Mar. 30 | Mar. 29 | Mar. 28 | Mar. 27 | Mar. 26 | Mar. 25 | Mar. 24 | Mar. 23 | Mar. 22 |
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AMSTERDAM

| Mar. 22 | Mar. 21 | Mar. 20 | Mar. 19 | Mar. 18 | Mar. 17 | Mar. 16 | Mar. 15 | Mar. 14 | Mar. 13 | Mar. 12 | Mar. 11 | Mar. 10 | Mar. 9 | Mar. 8 | Mar. 7 | Mar. 6 | Mar. 5 | Mar. 4 | Mar. 3 | Mar. 2 | Mar. 1 | Mar. 31 | Mar. 30 | Mar. 29 | Mar. 28 | Mar. 27 | Mar. 26 | Mar. 25 | Mar. 24 | Mar. 23 | Mar. 22 |
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| 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 | 100.12 |

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STOCK EXCHANGE REPORT

Technical recovery in equities and gilt-edged improve

Share index up 7.8 at 399.1—No expansion in trade

Account Dealing Dates
Option
First Declared Last Account
Dealings (100s) Dealings Day
Mar. 8 Mar. 18 Mar. 19 Mar. 30
Mar. 22 Apr. 1 Apr. 2 Apr. 13
Apr. 25 Apr. 14 Apr. 15 Apr. 28

After five successive days of falling share values, it became apparent yesterday that the market was no longer willing to accept the price of short-term bear operators, which was aggravated by jobbers marking up prices of leading equities. Thus a steady improvement in the first hour of trading turned into a minor boom with the FT 30-share index advancing from 393.2 at 11 a.m. to 398.7 an hour later. Conditions quietened during the afternoon and after peaking out at 2 p.m. at 399.1 the index closed at 399.1, 7.8 higher at 399.1. Basically, factors guiding the market have not altered and sentiment was still sensitive to the political situation and with jobbers endeavouring to keep levels low. The continuing low level of trade was reflected in official markings of 5,636, well below the daily average for the previous three weeks of 7,138.

Gilt-edged, possibly aided by lower U.S. Treasury bill rates, improved with gains to 1. The Government Securities Index rose 0.38 at 61.58. Secondary equities, with the leaders, rises leading falls by 2-1 in FT-quoted Industrials, and the FT-Actuaries All-Share Index recovering 1.3 per cent to 163.1.

Although Monday's poor "rights" offer debuts made some amends yesterday, the latest £20m. issue proposed by BICC left the shares 10 down at 108p.

latter helped to lead the movement, aided by the renewed steadiness in sterling, when a revived demand began to expand giving the impression that the market could have been oversold. Interest also improved at the longer end where the situation was similar and although volume faded in the afternoon it increased again after-hours following Mr. Healey's hints of a forthcoming alteration in the tax structure for lower-paid workers. Corporations failed to show quite the same firmness, but still closed with gains to 1.

A further fall in the investment currency premium was eventually arrested and the rate recovered from 98 to 100½ per cent, before easing again later to close at 99½. Yesterday's SE conversion factor was 0.6756 (0.6770). Although the volume of business left much to be desired, a much altered trend developed in the big four banks with sentiment helped by the prospect of a return of bank customer charges. Barclays fared best at 238p, up 10, while Midland added 8 at 276p. Lloyds 7 at 220p and National Westminster 6 at 236p. Bank of Scotland rose 10 to 273p. Irregular foreign issues had Standard Chartered 10 higher at 379p, but Hongkong and Shanghai 5 at 322p. Gillet Bros. hardened 3 to 198p on the chairman's encouraging statement in Discobums, where Allen Harvey and Ross put on 10 to 390p in a thin market. Arbutnot Latham, 8 lower at 167p, were a dull market in merchant banks, but Dawson Day held steady at 13p awaiting to-day's interim results. Fat Matthews' resignation from the Board left the shares of First National Finance unaltered at 2p.

Still drawing strength from press comment on a bullish broker's circular, C. E. Heath put on 4 more to a 1975-76 high of 308p in insurance brokers, where Leslie and Godwin put on a similar amount to 133p. Among closely firm Composites, General

Accident improved 3 to 181p, after 183p, in front of to-day's results. Marked down to 124p on adverse press comment, Arthur Guinness pressed to close a penny harder on balance at 126p in former Breweries. Allied were similarly dearer at 65p and Bass Charrington 2 better at 96p. Elsewhere, Distillers advanced 2 to 146p, but Tomatin, 50p, shed that much following lower profits.

After improving 7 to 191p ahead of the preliminary statement, Associated Portland Cement held at that level on the disclosure of profits well up to general market expectations. Cement "B" also improved 7 to 191p, while Rugby Portland, 7p, and Ready Mixed Concrete, 85p, put on 2 and 3 respectively. Elsewhere, Buildings closed with modest improvements. R. Costain moved up 4 to 232p, while other firm spots took in London 10p. Bricel, 3 better at 86p, and Marley, 3 higher at 104p. Of the isolated dull spots, Anglo American Asphalt declined 5 to 170p and Norwester 4 to 140p, the latter being upset by the abortive share deal.

Fisons new nil-paid shares earned the distinction of being one of the day's most active stocks, recouping all the previous day's fall of 4 with a gain of 5 at 21p premium; the old were 10 higher at 352p, after 355p. Elsewhere, in a thin market, Alwright and Wilson, 87p, put on 4 to 91p, while Norsk Hydro gained 21 points at 238p.

BICC depressed
The £20m. "rights" offer accompanied by an uninspiring forecast of a maintained dividend for the current year, on the increased capital caused a marked reaction in BICC, which lost 10 at 108p, after 107p, following an active market. The rest of the Electrical leaders, however, took a turn for the better although activity remained at a low ebb. Philips Lamp, with preliminary figures due Friday, moved up 18

to 973p on Continental advice. Thorn Electrical improved 6 to 235p and EMI 4 to 261p, while Plessey, 70p, and GEC, 154p, both finished 3 better. Elsewhere, BSR found support and rose 5 to 103p, while Royal Electronics put on 7 to 245p and Decca "A", following news of two North Sea contracts totalling about 511m, added 4 at 244p. A. B. Electronic, on the interim report, were a penny firmer at 61p.

Although Stores' shares attracted slightly more business, price movements were narrow. British Home Stores improved 5

to 306p, while Marks and Spencer, 85p, and Debenhams, 82p, put on 2 and 3 respectively. Burton "A" hardened a penny to 50p as did "Gussies" "A" 7 to 235p. Amongst other issues, Wearwell, at 33p, recouped 3 of the previous day's fall of 5 in further response to the chairman's comments on the company's trading position. The rest of the up 3 to 42p, and Mail Orders tended higher, Grafton Warehouses closing a penny better at 96p and Empire Stores finishing 2 harder at 87p.

The suggestion that further financing packages were possible failed to deter buyers of GKN, which rose 7 to 334p. Other Engineering leaders were not

quite as firm although Hawker gained 6 to 410p, after 412p, and Tube Investments moved up 4 to 354p, after 356p, the latter in front of to-day's annual results.

Secondary issues were not outstanding and were picked up 5 to 95p on impressive preliminary profits, while Stone-Platt improved 2 to 109p, also after full-year figures. Weyburn continued their upward momentum to close 35 higher at 685p in a very restricted market, while rises of around 4 were established by Ball, 162p, Whessex, 61p, and Head Wrightson, 471p. Babcock and Wilcox, 15p, Compair, 82p, and Goo Group, 7p, all attracted support and gained about 3 apiece, but Pecler Hattersley lost firmness at 168p, down 4. Reflecting slightly lower full-year profits, Garton Cooper eased 2 to 45p.

Amongst other firm Foods, Cavenham were raised 3 to 131p and Tate and Lyle improved 4 to 267p. Harry Vincent were marked up 4 to 74p in a thin market on the increased interim dividend and higher first half profits. Fish Level closed a penny harder at 54p following Press comment while J. B. Eastwood, 57p, and FMC, 46p, put on 2 apiece, G. J. G. moved up 4 to 16p.

Awaiting to-day's preliminary statement, Ladbroke were active and 3 better at 159p. J. W. moved up 4 to 144p, while gains of 3 were recorded in Grand Metropolitan, 73p, and Trust Houses Forte, 107p.

Industrial leaders rise
Miscellaneous industrial leaders picked up to show movement to 8 (as in Glaxo, 388p), although little business was transacted. Turner and Newall managed to close 4 higher at 167p following preliminary results much as expected. While Bowater, with results due April 2, gained 5 at 188p. Beecham, 357p, and Reed International, 273p rose 7 apiece, while Rank Organisation recouped 3 to 145p. Elsewhere, Sale Tilney continued to draw strength from the higher profits and ended 4 firmer at 90p for a two-day advance of 17. Staffordshire Potteries, still on the rise in half-year results, added 1 more at 140p, while Norvic Securities, on the results, put on 2 to 25p. Press comment on a broker's circular, left L.C. Gas 5 to the good at 322p.

After Monday's depressing debuts in ex "rights" form, Letraset picked up 5 to 73p and the new 8 to 18p premium, while De La Rue ended 4 better at 222p and the new 8 firmer at 51p premium.

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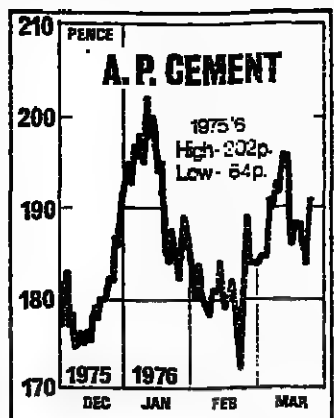
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to 306p, while Marks and Spencer, 85p, and Debenhams, 82p, put on 2 and 3 respectively. Burton "A" hardened a penny to 50p as did "Gussies" "A" 7 to 235p. Amongst other issues, Wearwell, at 33p, recouped 3 of the previous day's fall of 5 in further response to the chairman's comments on the company's trading position. The rest of the up 3 to 42p, and Mail Orders tended higher, Grafton Warehouses closing a penny better at 96p and Empire Stores finishing 2 harder at 87p.

The suggestion that further financing packages were possible failed to deter buyers of GKN, which rose 7 to 334p. Other Engineering leaders were not

quite as firm although Hawker gained 6 to 410p, after 412p, and Tube Investments moved up 4 to 354p, after 356p, the latter in front of to-day's annual results.

Secondary issues were not outstanding and were picked up 5 to 95p on impressive preliminary profits, while Stone-Platt improved 2 to 109p, also after full-year figures. Weyburn continued their upward momentum to close 35 higher at 685p in a very restricted market, while rises of around 4 were established by Ball, 162p, Whessex, 61p, and Head Wrightson, 471p. Babcock and Wilcox, 15p, Compair, 82p, and Goo Group, 7p, all attracted support and gained about 3 apiece, but Pecler Hattersley lost firmness at 168p, down 4. Reflecting slightly lower full-year profits, Garton Cooper eased 2 to 45p.

Amongst other firm Foods, Cavenham were raised 3 to 131p and Tate and Lyle improved 4 to 267p. Harry Vincent were marked up 4 to 74p in a thin market on the increased interim dividend and higher first half profits. Fish Level closed a penny harder at 54p following Press comment while J. B. Eastwood, 57p, and FMC, 46p, put on 2 apiece, G. J. G. moved up 4 to 16p.

Awaiting to-day's preliminary statement, Ladbroke were active and 3 better at 159p. J. W. moved up 4 to 144p, while gains of 3 were recorded in Grand Metropolitan, 73p, and Trust Houses Forte, 107p.

Industrial leaders rise
Miscellaneous industrial leaders picked up to show movement to 8 (as in Glaxo, 388p), although little business was transacted. Turner and Newall managed to close 4 higher at 167p following preliminary results much as expected. While Bowater, with results due April 2, gained 5 at 188p. Beecham, 357p, and Reed International, 273p rose 7 apiece, while Rank Organisation recouped 3 to 145p. Elsewhere, Sale Tilney continued to draw strength from the higher profits and ended 4 firmer at 90p for a two-day advance of 17. Staffordshire Potteries, still on the rise in half-year results, added 1 more at 140p, while Norvic Securities, on the results, put on 2 to 25p. Press comment on a broker's circular, left L.C. Gas 5 to the good at 322p.

After Monday's depressing debuts in ex "rights" form, Letraset picked up 5 to 73p and the new 8 to 18p premium, while De La Rue ended 4 better at 222p and the new 8 firmer at 51p premium.

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few firm spots. Lucas, with interim results to-morrow, moved up 3 more to 223p in active trading and Lex Service improved 4 to 261p. Bunlop were notably better at 87p, up 3. Brown Brothers greeted the preliminary figures 95p on impressive preliminary profits, while Stone-Platt improved 2 to 109p, also after full-year figures. Weyburn continued their upward momentum to close 35 higher at 685p in a very restricted market, while rises of around 4 were established by Ball, 162p, Whessex, 61p, and Head Wrightson, 471p. Babcock and Wilcox, 15p, Compair, 82p, and Goo Group, 7p, all attracted support and gained about 3 apiece, but Pecler Hattersley lost firmness at 168p, down 4. Reflecting slightly lower full-year profits, Garton Cooper eased 2 to 45p.

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TELEGRAMS: 20341

FT SHARE INFORMATION SERVICE

| Stock | Price | Change |
|----------------|-------|--------|
| Hotel de Ville | 100 | +10 |
| Hotel de Ville | 100 | +10 |
| Hotel de Ville | 100 | +10 |
| Hotel de Ville | 100 | +10 |
| Hotel de Ville | 100 | +10 |
| Hotel de Ville | 100 | +10 |
| Hotel de Ville | 100 | +10 |
| Hotel de Ville | 100 | +10 |
| Hotel de Ville | 100 | +10 |
| Hotel de Ville | 100 | +10 |

INDUSTRIALS (Misc)

| Stock | Price | Change |
|-----------|-------|--------|
| Aluminium | 100 | +10 |
| Aluminium | 100 | +10 |
| Aluminium | 100 | +10 |
| Aluminium | 100 | +10 |
| Aluminium | 100 | +10 |
| Aluminium | 100 | +10 |
| Aluminium | 100 | +10 |
| Aluminium | 100 | +10 |
| Aluminium | 100 | +10 |
| Aluminium | 100 | +10 |

ENGINEERING-Continued

| Stock | Price | Change |
|-------------|-------|--------|
| Engineering | 100 | +10 |
| Engineering | 100 | +10 |
| Engineering | 100 | +10 |
| Engineering | 100 | +10 |
| Engineering | 100 | +10 |
| Engineering | 100 | +10 |
| Engineering | 100 | +10 |
| Engineering | 100 | +10 |
| Engineering | 100 | +10 |
| Engineering | 100 | +10 |

DRAPEY AND STORES-Continued

| Stock | Price | Change |
|-----------|-------|--------|
| Draperies | 100 | +10 |
| Draperies | 100 | +10 |
| Draperies | 100 | +10 |
| Draperies | 100 | +10 |
| Draperies | 100 | +10 |
| Draperies | 100 | +10 |
| Draperies | 100 | +10 |
| Draperies | 100 | +10 |
| Draperies | 100 | +10 |
| Draperies | 100 | +10 |

BUILDING INDUSTRY-Continued

| Stock | Price | Change |
|----------|-------|--------|
| Building | 100 | +10 |
| Building | 100 | +10 |
| Building | 100 | +10 |
| Building | 100 | +10 |
| Building | 100 | +10 |
| Building | 100 | +10 |
| Building | 100 | +10 |
| Building | 100 | +10 |
| Building | 100 | +10 |
| Building | 100 | +10 |

CANADIANS

| Stock | Price | Change |
|--------|-------|--------|
| Canada | 100 | +10 |
| Canada | 100 | +10 |
| Canada | 100 | +10 |
| Canada | 100 | +10 |
| Canada | 100 | +10 |
| Canada | 100 | +10 |
| Canada | 100 | +10 |
| Canada | 100 | +10 |
| Canada | 100 | +10 |
| Canada | 100 | +10 |

*BRITISH FUNDS

| Stock | Price | Change |
|---------------|-------|--------|
| British Funds | 100 | +10 |
| British Funds | 100 | +10 |
| British Funds | 100 | +10 |
| British Funds | 100 | +10 |
| British Funds | 100 | +10 |
| British Funds | 100 | +10 |
| British Funds | 100 | +10 |
| British Funds | 100 | +10 |
| British Funds | 100 | +10 |
| British Funds | 100 | +10 |

FOREIGN AND HIRE PURCHASE

| Stock | Price | Change |
|---------|-------|--------|
| Foreign | 100 | +10 |
| Foreign | 100 | +10 |
| Foreign | 100 | +10 |
| Foreign | 100 | +10 |
| Foreign | 100 | +10 |
| Foreign | 100 | +10 |
| Foreign | 100 | +10 |
| Foreign | 100 | +10 |
| Foreign | 100 | +10 |
| Foreign | 100 | +10 |

Over Fifteen Years

| Stock | Price | Change |
|--------------------|-------|--------|
| Over Fifteen Years | 100 | +10 |
| Over Fifteen Years | 100 | +10 |
| Over Fifteen Years | 100 | +10 |
| Over Fifteen Years | 100 | +10 |
| Over Fifteen Years | 100 | +10 |
| Over Fifteen Years | 100 | +10 |
| Over Fifteen Years | 100 | +10 |
| Over Fifteen Years | 100 | +10 |
| Over Fifteen Years | 100 | +10 |
| Over Fifteen Years | 100 | +10 |

*INTERNATIONAL BANK

| Stock | Price | Change |
|--------------------|-------|--------|
| International Bank | 100 | +10 |
| International Bank | 100 | +10 |
| International Bank | 100 | +10 |
| International Bank | 100 | +10 |
| International Bank | 100 | +10 |
| International Bank | 100 | +10 |
| International Bank | 100 | +10 |
| International Bank | 100 | +10 |
| International Bank | 100 | +10 |
| International Bank | 100 | +10 |

*CORPORATION LOANS

| Stock | Price | Change |
|-------------------|-------|--------|
| Corporation Loans | 100 | +10 |
| Corporation Loans | 100 | +10 |
| Corporation Loans | 100 | +10 |
| Corporation Loans | 100 | +10 |
| Corporation Loans | 100 | +10 |
| Corporation Loans | 100 | +10 |
| Corporation Loans | 100 | +10 |
| Corporation Loans | 100 | +10 |
| Corporation Loans | 100 | +10 |
| Corporation Loans | 100 | +10 |

COMMONWEALTH & AFRICAN LOANS

| Stock | Price | Change |
|------------------------------|-------|--------|
| Commonwealth & African Loans | 100 | +10 |
| Commonwealth & African Loans | 100 | +10 |
| Commonwealth & African Loans | 100 | +10 |
| Commonwealth & African Loans | 100 | +10 |
| Commonwealth & African Loans | 100 | +10 |
| Commonwealth & African Loans | 100 | +10 |
| Commonwealth & African Loans | 100 | +10 |
| Commonwealth & African Loans | 100 | +10 |
| Commonwealth & African Loans | 100 | +10 |
| Commonwealth & African Loans | 100 | +10 |

LOANS (Misc)

| Stock | Price | Change |
|--------------|-------|--------|
| Loans (Misc) | 100 | +10 |
| Loans (Misc) | 100 | +10 |
| Loans (Misc) | 100 | +10 |
| Loans (Misc) | 100 | +10 |
| Loans (Misc) | 100 | +10 |
| Loans (Misc) | 100 | +10 |
| Loans (Misc) | 100 | +10 |
| Loans (Misc) | 100 | +10 |
| Loans (Misc) | 100 | +10 |
| Loans (Misc) | 100 | +10 |

FOREIGN BONDS & RAIS

| Stock | Price | Change |
|----------------------|-------|--------|
| Foreign Bonds & Rais | 100 | +10 |
| Foreign Bonds & Rais | 100 | +10 |
| Foreign Bonds & Rais | 100 | +10 |
| Foreign Bonds & Rais | 100 | +10 |
| Foreign Bonds & Rais | 100 | +10 |
| Foreign Bonds & Rais | 100 | +10 |
| Foreign Bonds & Rais | 100 | +10 |
| Foreign Bonds & Rais | 100 | +10 |
| Foreign Bonds & Rais | 100 | +10 |
| Foreign Bonds & Rais | 100 | +10 |

AMERICANS

| Stock | Price | Change |
|-----------|-------|--------|
| Americans | 100 | +10 |
| Americans | 100 | +10 |
| Americans | 100 | +10 |
| Americans | 100 | +10 |
| Americans | 100 | +10 |
| Americans | 100 | +10 |
| Americans | 100 | +10 |
| Americans | 100 | +10 |
| Americans | 100 | +10 |
| Americans | 100 | +10 |

CHEMICALS, PLASTICS

| Stock | Price | Change |
|---------------------|-------|--------|
| Chemicals, Plastics | 100 | +10 |
| Chemicals, Plastics | 100 | +10 |
| Chemicals, Plastics | 100 | +10 |
| Chemicals, Plastics | 100 | +10 |
| Chemicals, Plastics | 100 | +10 |
| Chemicals, Plastics | 100 | +10 |
| Chemicals, Plastics | 100 | +10 |
| Chemicals, Plastics | 100 | +10 |
| Chemicals, Plastics | 100 | +10 |
| Chemicals, Plastics | 100 | +10 |

CINEMAS, THEATRES AND TV

| Stock | Price | Change |
|--------------------------|-------|--------|
| Cinemas, Theatres and TV | 100 | +10 |
| Cinemas, Theatres and TV | 100 | +10 |
| Cinemas, Theatres and TV | 100 | +10 |
| Cinemas, Theatres and TV | 100 | +10 |
| Cinemas, Theatres and TV | 100 | +10 |
| Cinemas, Theatres and TV | 100 | +10 |
| Cinemas, Theatres and TV | 100 | +10 |
| Cinemas, Theatres and TV | 100 | +10 |
| Cinemas, Theatres and TV | 100 | +10 |
| Cinemas, Theatres and TV | 100 | +10 |

BUILDING INDUSTRY, TIMBER & ROADS

| Stock | Price | Change |
|-----------------------------------|-------|--------|
| Building Industry, Timber & Roads | 100 | +10 |
| Building Industry, Timber & Roads | 100 | +10 |
| Building Industry, Timber & Roads | 100 | +10 |
| Building Industry, Timber & Roads | 100 | +10 |
| Building Industry, Timber & Roads | 100 | +10 |
| Building Industry, Timber & Roads | 100 | +10 |
| Building Industry, Timber & Roads | 100 | +10 |
| Building Industry, Timber & Roads | 100 | +10 |
| Building Industry, Timber & Roads | 100 | +10 |
| Building Industry, Timber & Roads | 100 | +10 |

DRAPEY AND STORES

| Stock | Price | Change |
|----------------------|-------|--------|
| Draperies and Stores | 100 | +10 |
| Draperies and Stores | 100 | +10 |
| Draperies and Stores | 100 | +10 |
| Draperies and Stores | 100 | +10 |
| Draperies and Stores | 100 | +10 |
| Draperies and Stores | 100 | +10 |
| Draperies and Stores | 100 | +10 |
| Draperies and Stores | 100 | +10 |
| Draperies and Stores | 100 | +10 |
| Draperies and Stores | 100 | +10 |

ENGINEERING, MACHINE TOOLS

| Stock | Price | Change |
|----------------------------|-------|--------|
| Engineering, Machine Tools | 100 | +10 |
| Engineering, Machine Tools | 100 | +10 |
| Engineering, Machine Tools | 100 | +10 |
| Engineering, Machine Tools | 100 | +10 |
| Engineering, Machine Tools | 100 | +10 |
| Engineering, Machine Tools | 100 | +10 |
| Engineering, Machine Tools | 100 | +10 |
| Engineering, Machine Tools | 100 | +10 |
| Engineering, Machine Tools | 100 | +10 |
| Engineering, Machine Tools | 100 | +10 |

FOOD, GROCERIES, ETC.

| Stock | Price | Change |
|-----------------------|-------|--------|
| Food, Groceries, Etc. | 100 | +10 |
| Food, Groceries, Etc. | 100 | +10 |
| Food, Groceries, Etc. | 100 | +10 |
| Food, Groceries, Etc. | 100 | +10 |
| Food, Groceries, Etc. | 100 | +10 |
| Food, Groceries, Etc. | 100 | +10 |
| Food, Groceries, Etc. | 100 | +10 |
| Food, Groceries, Etc. | 100 | +10 |
| Food, Groceries, Etc. | 100 | +10 |
| Food, Groceries, Etc. | 100 | +10 |

HOTELS AND CATERERS

| Stock | Price | Change |
|---------------------|-------|--------|
| Hotels and Caterers | 100 | +10 |
| Hotels and Caterers | 100 | +10 |
| Hotels and Caterers | 100 | +10 |
| Hotels and Caterers | 100 | +10 |
| Hotels and Caterers | 100 | +10 |
| Hotels and Caterers | 100 | +10 |
| Hotels and Caterers | 100 | +10 |
| Hotels and Caterers | 100 | +10 |
| Hotels and Caterers | 100 | +10 |
| Hotels and Caterers | 100 | +10 |

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Healey camp claims growing support

BY PHILIP RAWSTORNE

MR. DENIS HEALEY, Chancellor of the Exchequer, yesterday made a strong bid to establish his claim to the Labour leadership with a prominent place in tomorrow's first ballot.

Amid the contradictory campaign claims, the Chancellor's supporters announced that they were gradually building a sound base from which he could advance in the later stages of the election.

Mr. Edward Short, Labour's deputy leader, was reported to have pledged his vote to Mr. Healey. And the Chancellor's camp claimed that enough second-choice votes had now been gathered to offer real prospects of victory as the election proceeded.

Mr. Healey himself made a forceful, though calm, defence of his economic policies at yesterday's joint meeting of the Cabinet and Labour NEC, brushing aside Left-wing demands for import controls.

'Right course'

"We are set on the right course," he declared firmly. "I appeal to the NEC to give us credit for what we are doing and not spend all their lives criticising their Government."

Mr. Healey, who said that working people were taxation paid to pay the extra taxation that would have been necessary without the curbs on public expenditure, received on this issue the determined backing of Mr. Roy Jenkins, one of his main rivals for the party's Centre-Right vote.

Mr. Anthony Wedgwood Benn, who in his leadership election manifesto publicly supported the introduction of import controls, skirted carefully over the issue after his recent warning by Mr. Harold Wilson about the Cabinet's collective responsibility.

A statement from Downing Street yesterday said that the

Warning of 8p tax rise if spending is not cut

BY PETER HENNESSY, LOBBY CORRESPONDENT

MR. DENIS HEALEY, yesterday warned Left-wing critics of the Government's economic policy that if public spending did not level out next year the standard rate of income tax would have to be raised by 8p to 43p in the £.

"Are working people, going to be prepared to pay that extra taxation?" he asked at the three-hour joint meeting of the Cabinet and the national executive committee of the Labour Party.

There was a limit to the amount people could be taxed, but even if things went well there would have to be slight increases over the next three years, Mr. Healey added.

The Chancellor also brushed aside Left-wing demands for import controls, saying that they

warning had been sent to Mr. Benn, with copies to other members of the Cabinet, on March 8.

The Prime Minister had reminded them that they should not depart from the principle of collective responsibility in discussions within the NEC or its statutory committees.

Ministers were not to take an active part in policies which were not the responsibility of their Departments, or to advocate policies which were not those of the Government. These constraints applied to Mr. Benn's Press conferences on the work of the party's Home Policy Committee, which has recently pressed for radical changes in the Government's economic programme.

The snubbing of Mr. Benn, however, appeared to be causing second thoughts among some of

the potential Left-wing vote for Mr. Michael Foot—who was himself helped yesterday by the brighter unemployment figures.

It seemed possible that fears that Mr. Benn and many of the policies for which he stands might be discredited by a poor performance in tomorrow's ballot could win him a bigger sympathy vote.

Mr. Benn and Mr. Crosland, by general consent at the tail of the field, were the only two candidates not invited to Downing Street last night for the Prime Minister's dinner for the Queen. The dinner-list was drawn-up some time ago, it was said. Mr. Callaghan, Mr. Jenkins and Mr. Healey were Ministers with a "special relationship" with the Queen and Mr. Foot was one of the Prime Minister's oldest colleagues.

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Pound reaches highest level for a week

BY MICHAEL BLANDIN

THE POUND rose yesterday after last week's heavy speculative pressure on exchange markets was reversed and the strains on the European joint float eased further.

Sterling reached its best level for a week against other currencies at noon, with its average depreciation from December, 1975 levels dropping to 32.5 per cent. At the close, it had widened a little to 33.6 per cent, but was still significantly better than the previous day's record closing, 33.9 per cent.

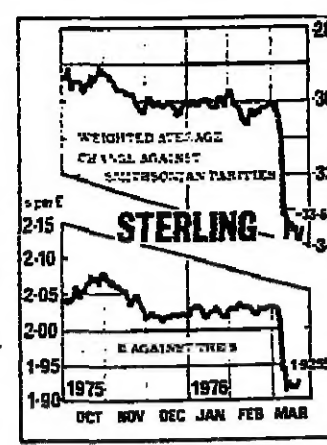
Against the dollar the pound picked up 45 points at 51.925, and with the D-mark slipping back after last week's sharp rises, both the U.K. and U.S. currencies gained generally.

The sharpest reversal was in the European snake, where the Belgian franc ended the week at the top of the joint floating limits against the D-mark in quieter though still nervous markets.

Contrast

This was in strong contrast with the previous week's experience, when the franc had been held above its snake floor only with the help of very large support from the Belgian authorities—which are estimated to have spent up to a quarter of their reserves in maintaining its value—and by the Bundesbank.

Following last week's repudiation by Barclays Bank of the D-mark would not be revalued and that the snake would



remain in its present form, the mark lost ground yesterday as speculators unwound positions built up during the height of the currency unrest.

This helped its snake partners, including the Danish krone and others which had been under severe pressure, and produced a recovery in the U.S. dollar. The average depreciation of the dollar narrowed slightly from 2.12 per cent to 2.06 per cent, as calculated by Morgan Guaranty.

At the same time, the Italian lira continued its recovery following last week's emergency economic measures and the four-point jump in interest rates, ending yesterday at 13.86 per cent on Monday and a low point last week of 13.88. Its average depreciation narrowed again from 2.87 per cent to 2.147 per cent.

Barclays may bring back bank charges

BY MICHAEL BLANDIN

PERSONAL CUSTOMERS of the big banks who have enjoyed free banking for the past two years may face moves to restore charges for running their current accounts. This follows an application by Barclays Bank to the Price Commission.

The new charges would be the first change in the personal account tariffs of the big banks since free banking for the bulk of customers was introduced in 1973 and 1974.

The moves are unlikely, however, to mean the abandoning of publishing tariffs which marked a major change in bank attitudes. It is thought that the Barclays proposals would have a marginal impact on the costs of current accounts.

They could take the form of either a rise in the minimum balance required to qualify for free banking or an increase in the charge made for cheque transactions.

At present, the big four banks reckon that anything between 70 per cent and 90 per cent of their personal customers pay no charges, depending on the particular tariff in use.

Convinced

The cuts in charges were brought in when bank profits were rising sharply, and partly for political reasons when the banks were under attack. Sharp cost rises since have meant that the charges being levied are now well below the level of inflation, so that the banks are in a position to recoup their losses.

The other big banks are expected to follow Barclays if it succeeds in raising charges. At present, they are all making a thorough review of the basis of their charges to both personal

and corporate customers, though with no immediate plans for making applications to the commission for changes on the personal side.

The other big three banks, Lloyds, Midland and National Westminster, have already this year convinced the Price Commission of their case for higher charges on some ancillary activities. These included the charges for specialised services such as provided by the banks' trustees department.

Mr. Anthony Tuke, chairman of Barclays, commented in his annual statement last week that the bank's trust company was no longer running at a profit. "It seems illogical," he said, "that its charges must be kept to their 1972 level simply because profits are still being earned in other parts of the group."

Apart from rises in charges for specialised services, Barclays is seeking increases in its personal account charges. At present, Barclays' personal customers get free banking if they maintain either a minimum balance of £50 in their account or an average balance of £100 each half year.

Below these levels, each withdrawal costs 7p with a 5 per cent. offset for any funds held in the account.

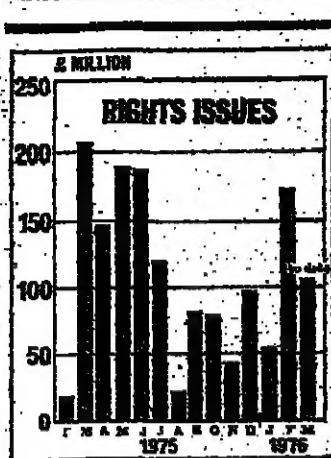
The tariffs of the big banks vary, with some requiring a £50 minimum balance, or £100 average as the qualification for free banking. Some banks including the Midland and Williams and Glyn's offer free banking if the account remains in credit.

The Co-operative Bank said last night that it was looking at its charges, but there are no plans to make any changes to personal accounts.

THE LEX COLUMN

AP Cement at new peak

Index rose 7.8 to 399.1



Associated Portland's share price has been notably strong relative to Rugby in recent weeks following a steady up-grading in the market of 1975 profits expectations. The outcome—£22.5m. pre-tax against £22.5m.—did not disappoint and the shares rose 7p yesterday to 191p. Cement price increases in the U.K. provide, of course, much of the explanation but demand in the second half of the year was not nearly as weak as expected and deliveries for 1975 as a whole were only 4.7 per cent. down compared with a fall of 7 to 8 per cent. envisaged last summer. Cost savings have also been having an effect after the temporary closure of kilns with a capacity of around 2m. tonnes (against 1975 deliveries of 11.2m. tonnes).

There is no profits split at this stage, but to judge by the breakdown of the tax charge the U.K. may have accounted for perhaps two-thirds of the improvement; there have been advances, however, by most of the overseas interests. Probably there will be a further increase in profits from abroad in 1976 but little progress at home, given that the unit cost/price adjustment has worked its way through and the group faces higher fuel costs at some stage. Nevertheless, the expected profits increase in 1976 is likely to be greater than at Rugby so while the shares may have had their run for the moment there is nothing obviously vulnerable in a capitalisation of £154m. and yield of 6½ per cent.

Both funds also have a partly educational aim to get both U.K. and Continental investors more accustomed to options trading. There is certainly no shortage of options enthusiasts in London and while no decision is likely to be reached for a few months there is the spur that Amsterdam hopes to be operating early next year.

Agar Cross

Thanks mostly to a revaluation of Nigerian property the shareholders' funds of Agar Cross are shown to have improved, from £297,000 to £454,000 in the delayed report for the year ended last March. But it will still be very tricky to devise terms for the promised bid from Newman Industries, with the nominal value of the Preference capital standing at £650,000, before dividend arrears of £585,000, while the Ordinary shares carry 62 per cent. of the votes. The market value of the Preference is £380,000, and of the Ordinary about half that.

Last week's interim statement, however, showed that AC is doing well in the booming Nigerian economy, with net no dividend income attributable earnings of £131,000 for the half-year to September. No details are given of the commission arrangement with NIS Marketing, the Newman subsidiary, which has helped to produce this upsurge. But the shareholders are now promised

Curious timing ago £20m. rights issue into the current shares fell 10p to 11p and the issue of night capitalisation over 14 per cent. of the count of 27 per cent. follows BICC's 1975 results by a wide margin, and presumably was to allow time for any adverse price work its way out of the market yesterday took the share price to a new high of 10p 11p. BICC's current earnings of £131,000 are also a record, and the company is now promised

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EEC subsidises U.K. food imports, says Lardinois

FINANCIAL TIMES REPORTER

A VIGOROUS defence of the EEC's Common Agricultural Policy as a boon to the British housewife and farmer, combined with a strong warning that monetary chaos is bringing the policy close to collapse, was delivered by Mr. Pierre Lardinois, the Brussels Commissioner for Agriculture, in London yesterday.

"The CAP has played an important role in British anti-inflation policy by protecting consumers from the effects of the falling value of the pound," Mr. Lardinois told a conference organised by the European League for Economic Co-operation.

He pointed out that ever since EEC entry in 1973, almost all of Britain's food imports had been subsidised by the Community, to the extent of more than £285m. so far.

Last year alone, the subsidies were worth £190m., equal to more than 30 per cent. of the British Government's total expenditure on food subsidies. Following the latest falls in the value of the pound, the Community is now spending at the rate of about £15m. a month on these food import subsidies," he said.

At the same time, the CAP had helped British farmers through a very difficult period and would go on helping them to realise their potential.

"This has been done, without too heavy a burden on taxpayers or without disrupting trade relations with countries outside the Community."

Mr. Lardinois went on to stress that the CAP had also given British access to secure supplies of food during periods of severe world market shortages. Community subsidies totalling some £42m. on sugar imports from the high-priced world market, plus an influx of supplies from the Continent, had helped British overcome its recent sugar difficulties.

There had also been EEC subsidy schemes for beef and butter at different times in the past two years.

"It is not true to say that the CAP takes money from the British taxpayer and gives it to inefficient farmers in other Community countries," he declared. On balance, between 1973 and 1975, Britain had gained in crude financial terms as much from the CAP as it had spent.

But Mr. Lardinois voiced his growing anxiety about the effect of monetary instability on the policy.

Unbearable

"For several years the CAP has managed to ride out the dangers of disintegration caused by the lack of a common economic and monetary policy. But I must warn you now that we are at the point where the strains are becoming unbearable."

The fact that Finance Ministers could not tackle the monetary disruptions within the Community had given a free hand to speculation, with the attendant risk of disintegration.

Mr. Lardinois stressed the

need for decisions reshaping the severely damaged snake currency arrangements. Since these decisions affected the whole Community, they should be taken within the EEC institutions.

On the recent controversial 1976-77 EEC farm prices packages, Mr. Lardinois said he regretted that Agricultural Ministers had not taken immediate action to tackle the problem of dairy surpluses.

"But the very fact that there was a settlement in, in my view, a major success. It proves, as far as agriculture is concerned, that the Community decision-making process is sound."

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Strike talks meeting on Friday

By Our Labour Staff

A MASS meeting of workers at a North London GEC subsidiary who have been on strike for over ten weeks will be held on Friday. This follows new talks between union representatives and management at industrial fan manufacturers Keith Blackman under the auspices of the Independent Advisory, Conciliation, and Arbitration Service.

The dispute is over a shop steward dismissed for carrying out official union business at another company despite warnings from the Keith Blackman management that he would not be given time off.

ACAS is expected to issue a code of practice on this issue to clarify the Employment Protection Act, which entitles members of independent trade unions reasonable time off for union activities but does not specify whether branch union meetings or other activities outside the company would qualify under this heading.

At Friday's meeting, the union are expected to put forward a formula agreed with the company which would enable a return to work while further talks were held.

Continued from Page 1

Unemployment falls